

ANAND RATHI

Wealth Management. uncomplicated

ANAND RATHI WEALTH SERVICES LIMITED

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name of 'Hitkari Finvest Private Limited' on March 22, 1995. It was thereafter renamed as 'AR Venture Funds Management Private Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on April 6, 2005, which was later converted from a private limited company to a public limited company under the Companies Act, 1956, with the name 'AR Venture Funds Management Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on March 8, 2007. Subsequently, 'AR Venture Funds Management Limited' was converted to a private limited company with the name 'AR Venture Funds Management Private Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on July 7, 2015. Thereafter, 'AR Venture Funds Management Private Limited' was again converted to a public limited company with name 'AR Venture Funds Management Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on April 3, 2017. Subsequently 'AR Venture Funds Management Limited' was renamed as 'Anand Rathi Wealth Services Limited' and received a fresh certificate of incorporation from the RoC on July 6, 2017. For further details, in relation to change in name and Registered Office of our Company, see "History and Certain Corporate Matters" on page 162 of this Draft Red Herring Prospectus.

Registered Office: 4th floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400063, Maharashtra, India.

Corporate Office: 11th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India

Telephone: +91 (22) 4001 3700; **Facsimile:** +91 (22) 4001 3770

Contact Person: Mr. Dilip Balakrishnan, Company Secretary and Compliance Officer

Email: csarwsl@rathi.com; **Website:** www.arwealth.in

Corporate Identity Number: U67120MH1995PLC086696

PROMOTERS OF OUR COMPANY: MR. ANAND RATHI, MR. PRADEEP GUPTA AND ANAND RATHI FINANCIAL SERVICES LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH ("EQUITY SHARES") OF ANAND RATHI WEALTH SERVICES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UP TO ₹ 4.250 MILLION, COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 1,250 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000 MILLION BY ANAND RATHI FINANCIAL SERVICES LIMITED (THE "PROMOTER SELLING SHAREHOLDER") (THE "OFFER FOR SALE") (THE FRESH ISSUE AND THE OFFER FOR SALE TOGETHER REFERRED TO AS THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE FULLY DILUTED POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●] AND MUMBAI EDITIONS OF THE MARATHI NEWSPAPER [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND MARATHI NEWSPAPERS, RESPECTIVELY, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE OFFER OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of a revision in the Price Band, the Offer Period will be extended by at least three additional Working Days after revision of the Price Band, subject to the Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Offer Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a press release and also by indicating the changes on the websites of the BRLMs and at the terminals of the Syndicate Members, and by intimation to Self Certified Syndicate Banks ("SCSBs"), Registered Brokers, Registrar and Transfer Agents ("RTA"), and Collecting Depository Participants ("CDP").

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 41 of SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs"), to participate in this Offer. Anchor Investors are not permitted to participate in the Offer through ASBA Process. For further details, see "Offer Procedure" on page 394 of this Draft Red Herring Prospectus.

RISKS IN RELATION TO FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹5 each. The Floor Price is [●] times the face value of the Equity Shares and the Cap Price is [●] times the face value of the Equity Shares. The Offer Price (as has been determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and justified as stated in the section "Basis for Offer Price" on page 110 of this Draft Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and / or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS




Investment in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the Risk Factors carefully before taking an investment decision in respect of the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to the section "Risk Factors" on page 18 of this Draft Red Herring Prospectus.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility only for the statements made by the Promoter Selling Shareholder in this Draft Red Herring Prospectus as a Promoter Selling Shareholder in the context of the Offer and the Equity Shares offered by the Promoter Selling Shareholder in the Offer and confirms that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, when offered through the Red Herring Prospectus, are proposed to be listed on BSE and NSE. Our Company has received "in-principle" approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC for registration in accordance with the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 458 of this Draft Red Herring Prospectus.

| BOOK RUNNING LEAD MANAGERS | | REGISTRAR TO THE OFFER |
|---|---|---|
|  |  |  |
| Equirus Capital Private Limited 12 th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel Mumbai, India 400 013 Telephone: +91 (22) 4332 0600 Facsimile: +91 (22) 4332 0601 Email: arwsl ipo@equirus.com Investor Grievance Email: investorsgrievance@equirus.com Website: www.equirus.com Contact Person: Mr. Anshu Jain/Mr. Gaurav Phadke SEBI Registration Number: INM000011286 | Jefferies India Private Limited 42/43, 2 North Avenue Maker Maxity, Bandra-Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +91 (22) 4356 6000 Facsimile: +91 (22) 6765 5595 Email: arwsl ipo@jefferies.com Investor Grievance Email: jipl.grievance@jefferies.com Website: www.jefferies.com Contact Person: Mr. Jayaraman Ganapathy SEBI Registration Number: INM000011443 | Link Intime India Private Limited Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Telephone: +91 (22) 4918 6200 Facsimile: +91 (22) 4918 6195 Email: arwsl ipo@linkintime.co.in Investor Grievance Email: arwsl ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI registration number: INR000004058 |
| OFFER PROGRAMME | | |
| FOR ALL BIDDERS, OFFER* OPENS ON: | [●] | [●] |
| | OFFER CLOSURES ON (FOR QIBS)** | [●] |
| | OFFER CLOSURES ON (FOR NON-INSTITUTIONAL AND RETAIL INVESTORS) | [●] |

*Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Offer Opening Date i.e. [●].

** Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may decide to close the Offer Period for QIBs one Working Day prior to the Offer Closing Date, in accordance with SEBI ICDR Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise implies or requires, the terms and abbreviations stated hereunder shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions below shall prevail.

Company and Promoter Selling Shareholder related terms

| Term | Description |
|--|--|
| “Company”, “our Company”, “the Company”, “ARWSL” or “Issuer” | Anand Rathi Wealth Services Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 4th floor, Silver Metropolis, Jai Coach Compound Opposite Bimbisar Nagar, Goregaon (East), Mumbai, 400063, Maharashtra, India |
| “we”, “us”, or “our” or “Anand Rathi Wealth Management Group” or “ARWMG” | Unless the context otherwise requires, implies, indicates or refers to Anand Rathi Wealth Services Limited and its Subsidiaries, on a consolidated basis |
| “Anand Rathi Group” | Anand Rathi Financial Services Limited, its Subsidiaries and its associates |
| “Articles” or “Articles of Association” | The articles of association of our Company, as amended |
| “ARAL” | Anand Rathi Advisors Limited |
| “ARCL” | Anand Rathi Commodities Limited |
| “ARFSL” | Anand Rathi Financial Services Limited |
| “ARGFL” | Anand Rathi Global Finance Limited |
| “ARHFL” | Anandrathi Housing Finance Limited |
| “ARIBL” | Anand Rathi Insurance Brokers Limited |
| “ARIVPL” | Anand Rathi International Ventures (IFSC) Private Limited |
| “ARITPL” | Anand Rathi IT Private Limited |
| “ARSSBL” | Anand Rathi Share and Stock Brokers Limited |
| “ARTCPL” | AR Trustee Company Private Limited |
| “ARWAL” | Anand Rathi Wealth Advisors Limited |
| “ARWMPL” | AR Wealth Management Private Limited |
| “AuA” or “Assets under Administration” | Assets under administration refer to (i) all third party assets that generate commissions or fees, and (ii) custody assets of wealth management clients (excluding Promoter holdings in companies and any custody assets where such clients do not have current holding of third-party assets). Our AuA includes the AuA of PWM wealth management business which was a part of ARAL and prior to that was part of ARFSL before the same was transferred to our Company |
| “Audit Committee” | The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations |
| “Auditor” or “Statutory Auditor” | The statutory auditor of our Company, being M/s. Khimji Kunverji & Co., Chartered Accountants |
| “Board” or “Board of Directors” | The board of directors of our Company, or a duly constituted committee thereof |
| “Chief Executive Officer” | The chief executive officer of our Company, being Mr. Rakesh Rawal |
| “Chief Financial Officer” | The chief financial officer of our Company, being Mr. Rajesh Bhutara |
| “Compliance Officer” | Mr. Dilip Balakrishnan |
| “Corporate Office” | The corporate office of our Company situated at 11 th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India |
| “Corporate Social | The corporate social responsibility committee of our Board constituted in accordance |

| Term | Description |
|---|---|
| Responsibility Committee” | with the Companies Act, 2013 |
| “Director(s)” | Director(s) on the Board of our Company, as appointed from time to time |
| “Equity Shares” | Unless the context otherwise requires, equity shares of our Company of face value ₹ 5 each |
| “Executive Director” | An executive Director |
| “ESOP 2017” | Employee Stock Option Scheme 2017 |
| “ESOP 2018” | Employee Stock Option Scheme 2018 |
| “FIINFRA” | Ffreedom Intermediary Infrastructure Private Limited |
| “FWSPL” | Freedom Wealth Solutions Private Limited |
| “Group Companies” | Such companies as covered under the applicable accounting standards and also other companies considered material by the Board pursuant to a policy of materiality approved by the Board as identified in the section titled ‘ <i>Our Group Companies</i> ’ on page 194 of this Draft Red Herring Prospectus |
| “Independent Director” | A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations |
| “IPO Committee” | The committee of our Board constituted pursuant to a Board resolution dated February 3, 2018 and reconstituted on July 10, 2018 |
| “KMP” or “Key Management Personnel” | Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, which includes key managerial personnel in terms of the Companies Act, 2013, as disclosed in “ <i>Our Management</i> ” on page 169 of this Draft Red Herring Prospectus |
| “Memorandum of Association” or “MoA” | The memorandum of association of our Company, as amended |
| “Nomination and Remuneration Committee” | The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations |
| “Non-Executive Director” | A Director not being an Executive Director |
| “Promoter Group” | Such persons and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, please see “ <i>Our Promoters and Promoter Group</i> ” on page 186 of this Draft Red Herring Prospectus |
| “Promoter Selling Shareholder” | Anand Rathi Financial Services Limited |
| “Promoters” | The promoters of our Company, namely, Mr. Anand Rathi, Mr. Pradeep Gupta and Anand Rathi Financial Services Limited. For details, please see “ <i>Our Promoters and Promoter Group</i> ” on page 186 of this Draft Red Herring Prospectus |
| “Registered Office” | The registered office of our Company situated at 4 th floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai, 400063, Maharashtra, India |
| “Registrar of Companies” or “RoC” | Registrar of Companies, Maharashtra at Mumbai |
| “Restated Consolidated Financial Information” | The restated consolidated financial information of our Company and its Subsidiaries, which comprise of the restated consolidated summary statement of assets and liabilities as at March 31, 2018 and March 31, 2017, the restated consolidated summary statement of profit and loss (including other comprehensive income), the restated consolidated summary statement of cash flows and the restated consolidated summary statement of changes in equity for the years ended March 31, 2018 and March 31, 2017, read together with summary of significant accounting policies, annexures and notes thereto included in this Draft Red Herring Prospectus, prepared in accordance with Ind AS |
| “Restated Financial Information” | Collectively, the Restated Consolidated Financial Information and the Restated Standalone Financial Information |
| “Restated Standalone Financial Information” | The standalone financial information of our Company, which comprises, in each case: |

| Term | Description |
|--|---|
| Information” | (a) the restated standalone summary statement of assets and liabilities, the restated standalone summary statement of profit and loss (including other comprehensive income), the restated standalone summary statement of cash flows and the restated standalone summary statement of changes in equity for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, read together with summary of significant accounting policies, annexures and the notes thereto included in this Draft Red Herring Prospectus, prepared in accordance with Ind AS; and (b) the restated standalone summary statement of assets and liabilities, the restated standalone summary statement of profit and loss and the restated standalone summary statement of cash flows for the years ended March 31, 2015 and March 31, 2014, read together with summary of significant accounting policies, annexures and the notes thereto included in this Draft Red Herring Prospectus, prepared in accordance with Indian GAAP |
| “RM” or “Relationship Managers” | The relationship managers of our Company include the relationship managers who were part of the PWM business while it was a part of ARAL and prior to that was part of ARFSL before the same was transferred to our Company |
| “Shareholder(s)” | The equity shareholders of our Company whose names are entered into (i) the register of members of our Company; or (ii) the records of a depository as a beneficial owner of Equity Shares |
| “Shareholders’ Agreement” | Shareholders’ agreement dated August 10, 2016, as subsequently amended, amongst our Company, Mr. Anand Rathi, Mr. Amit Rathi and Ms. Supriya Rathi (collectively referred to as “ Anand Rathi Group Shareholders ”), AR Wealth Management Private Limited, and Mr. Sumeet Vaid, Sumeet Surindernath Vaid HUF, Ms. Menka Vaid, Ms. Nandita Sud, Ms. Swati Agrawal, Mr. Bhupendra Sharma, Mr. Jitendra Tanna, Ms. Anisha Chaturvedi, Techno Auto Components Limited, Mr. Jayant Davar, Mr. Vikram Nirula, Mr. Sujan Sinha, Mr. Harshvardhan Raghunath, Part Infracon Private Limited, Mr. Sandeep Parwal, Ms. Honey Parwal and Mr. Sandeep Parekh (collectively referred to as the “ Other Shareholders ”) |
| “Stakeholders’ Relationship Committee” | The stakeholders’ relationship committee of our Board, as described in ‘ <i>Our Management</i> ’ on page 169 of this Draft Red Herring Prospectus |
| “Subsidiary” or “Subsidiaries” | Subsidiaries of our Company as of the date of this Draft Red Herring Prospectus, in accordance with the Companies Act, 2013, and as set out in “ <i>Our Group Companies – Details of our other Group Companies - Subsidiaries</i> ” on page 201 of this Draft Red Herring Prospectus |

Offer related terms

| Term | Description |
|------------------------------------|---|
| “Acknowledgement Slip” | The slip or document issued by Designated Intermediaries to a Bidder as proof of registration of the Bid cum Application Form |
| “Allotment”, “Allot” or “Allotted” | The allotment of Equity Shares to successful Bidders pursuant to the Fresh Issue or transfer of the Equity Shares offered by the Promoter Selling Shareholder to successful Bidders pursuant to the Offer for Sale |
| “Allotment Advice” | A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange |
| “Allottee” | A successful Bidder to whom the Equity Shares are Allotted |
| “Anchor Investor” | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations |
| “Anchor Investor Allocation Price” | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs |
| “Anchor Investor Bidding Date” | The day, one Working Day prior to the Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids in the Anchor Investor Portion, and allocation to Anchor Investors shall be |

| Term | Description |
|--|---|
| | completed |
| “Anchor Investor Form” | Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| “Anchor Investor Offer Price” | Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs |
| “Anchor Investor Portion” | Up to 60% of the QIB Portion, which may be allocated by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price |
| “Applications Supported by Blocked Amount” or “ASBA” | An application, whether physical or electronic, used by ASBA Bidders to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Accounts |
| “ASBA Account” | A bank account maintained with an SCSB and specified in the ASBA Form submitted by an ASBA Bidder, which will be blocked by such SCSB to the extent of the Bid Amount specified by a Bidder |
| “ASBA Bidder” | All Bidders except Anchor Investors |
| “ASBA Form” | An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| “Basis of Allotment” | The basis on which the Equity Shares will be Allotted under the Offer, as described in “Offer Procedure – Allotment Procedure and Basis of Allotment” on page 430 of this Draft Red Herring Prospectus |
| “Bid” | An indication to make an offer during the Offer Period by an ASBA Bidder, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum Application Form, to subscribe, the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form, and the term “Bidding” shall be construed accordingly |
| “Bidder” | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and, unless otherwise stated or implied, includes an Anchor Investor |
| “Bid Amount” | In relation to each Bid shall mean the highest value of the Bid indicated in the Bid cum Application Form and payable by the Bidder, or blocked in the ASBA Account of the ASBA Bidders as the case maybe, upon submission of the Bid in the Offer |
| “Bidding Centres” | Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| “Bid cum Application Form” | Anchor Investor Form or the ASBA Form, as the context requires |
| “Bid Lot” | [●] Equity Shares |
| “Book Building Process” | The book building process as described in Part A, Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| “Book Running Lead Managers” or “BRLMs” | The book running lead managers to the Offer, namely Equirus and Jefferies |
| “Broker Centre” | Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges as below: https://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3and |

| Term | Description |
|--|---|
| | http://www.nseindia.com/products/content/equities/ipo/ipo_mem_terminal.htm |
| “CAN” or “Confirmation of Allocation Note” | The note or advice or intimation of allocation sent to Anchor Investors who have been allocated Equity Shares after the Anchor Investor Bidding Date |
| “Cap Price” | The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted |
| “CARE Advisory” | CARE Advisory Research and Trading Limited |
| “CARE Advisory Research” | A report titled “ <i>Research Report on Wealth Management</i> ”, September 2018, prepared by CARE Advisory |
| “Cash Escrow Agreement” | The agreement to be entered into amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), Syndicate Members and the Refund Bank(s) for, among other things, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected on the terms and conditions thereof |
| “Client ID” | Client identification number maintained with one of the Depositories in relation to the demat account |
| “Collecting Depository Participant” or “CDP” | A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| “Cut-off Price” | The Offer Price, as finalised by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price |
| “Demographic Details” | Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation and bank account details |
| “Designated Branches” | Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time |
| “Designated CDP Locations” | Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| “Designated Date” | The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, after the Prospectus is filed with the RoC |
| “Designated Intermediaries” | Syndicate, Sub-Syndicate Agents, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer |
| “Designated RTA Locations” | Such locations of the RTAs where ASBA Bidders can submit the Bid cum Application Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| “Designated Stock Exchange” | [●] |
| “Draft Red Herring Prospectus” | This draft red herring prospectus dated September 24, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer |
| “Eligible FPIs” | FPIs from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby |

| Term | Description |
|---|---|
| “Eligible NRIs” | NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby |
| “Equirus” | Equirus Capital Private Limited |
| “Escrow Account(s)” | Accounts opened with the Escrow Collection Bank(s) in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid |
| “Escrow Collection Bank(s)” | The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Escrow Account(s) will be opened, being [●] |
| “ESOP” | Employees Stock Option Plan |
| “First Bidder” | The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names |
| “Floor Price” | The lower end of the Price Band, i.e. ₹ [●], at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted |
| “Fresh Issue” | The issue of up to [●] Equity Shares aggregating up to ₹ 1,250 million, offered for subscription by our Company pursuant to the terms of the Red Herring Prospectus |
| “General Information Document” or “GID” | The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI, suitably modified and included in “Offer Procedure” on page 394 of this Draft Red Herring Prospectus |
| “Gross Proceeds” | The Offer Proceeds, less the amount to be raised with respect to the Offer for Sale |
| “Jefferies” | Jefferies India Private Limited |
| “Monitoring Agency” | [●] |
| “Monitoring Agency Agreement” | Agreement to be entered into between our Company and the Monitoring Agency |
| “Mutual Fund Portion” | Up to 5% of the Net QIB Portion available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| “Net Proceeds” | The Gross Proceeds less our Company’s share of the Offer-related expenses. For further details about use of the Net Proceeds and the Offer expenses, please see “Objects of the Offer” on page 99 of this Draft Red Herring Prospectus |
| “Net QIB Portion” | QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors |
| “Non-Institutional Investors” or “NII(s)” | All Bidders, including Category III FPIs, that are not QIBs or Retail Individual Bidders who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs) |
| “Non-Institutional Portion” | The portion of the Offer being not more than 15% of the Offer available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| “Non-Resident” or “NR” | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI |
| “Offer” | Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ 4,250 million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 1,250 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 3,000 million by the Promoter Selling Shareholder |
| “Offer Agreement” | The agreement dated September 24, 2018 amongst our Company, the Promoter Selling Shareholder and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer |
| “Offer Closing Date” | Except in relation to Bids received from the Anchor Investors, [●], the date after which the Designated Intermediaries will not accept any Bids, which shall also be notified in all editions of English national daily newspaper [●], all editions of Hindi national daily newspaper [●] and Mumbai editions of Marathi newspaper [●] (which are widely circulated English, Hindi and Marathi newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered Office is located) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may consider closing the Offer Period for QIBs one Working Day prior to the Offer |

| Term | Description |
|--|--|
| | Closing Date in accordance with the SEBI ICDR Regulations |
| Offer for Sale | The offer for sale of up to [●] Equity Shares aggregating up to ₹ 3,000 million by the Promoter Selling Shareholder |
| “Offer Opening Date” | Except in relation to Bids received from the Anchor Investors, [●], the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall also be notified in all editions of English national daily newspaper [●], all editions of Hindi national daily newspaper [●] and Mumbai editions of Marathi newspaper [●] (which are widely circulated English, Hindi and Marathi newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered Office is located) |
| “Offer Period” | Except in relation to Bids received from the Anchor Investors, the period from and including the Offer Opening Date to and including the Offer Closing Date during which ASBA Bidders can submit their Bids, including any revisions thereto. The Offer Period will comprise of Working Days only |
| “Offer Price” | The final price at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date |
| “Offer Proceeds” | The proceeds of the Offer based on the total number of Equity Shares Allotted |
| “Price Band” | Any price between and including the Floor Price and the Cap Price and includes revisions thereof The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and will be advertised in all editions of an English national daily newspaper [●], all editions of a Hindi national daily newspaper [●] and Mumbai editions of a Marathi newspaper [●] (each of which are widely circulated English, Hindi and Marathi newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered Office is located), at least five Working Days prior to the Offer Opening Date |
| “Pricing Date” | The date on which our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price |
| “Prospectus” | The prospectus to be registered with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| “Public Offer Account Bank(s)” | The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened |
| “Public Offer Account(s)” | An account opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date |
| “QIB Portion” | The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer, which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price |
| “Qualified Institutional Buyers” or “QIBs” | A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations |
| “Red Herring Prospectus” | The red herring prospectus issued in accordance with section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The red herring prospectus will be registered with the RoC at least 3 working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date |
| “Refund Account(s)” | The account opened with the Refund Bank(s), from which refunds to unsuccessful |

| Term | Description |
|---|--|
| | Anchor Investors, if any, of the whole or part of the Bid Amount shall be made |
| “Refund Bank(s)” | The banks which are clearing members and registered with SEBI under the BTI Regulations with whom the Refund Account(s) will be opened |
| “Registered Broker” | Stock brokers registered with the stock exchanges having nationwide terminals other than the Members of the Syndicate, and eligible to procure Bids from ASBA Bidders in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |
| “Registrar Agreement” | The agreement dated August 17, 2018 entered into amongst our Company, the Promoter Selling Shareholder and the Registrar to the Offer |
| “Registrar and Share Transfer Agents” or “RTAs” | Registrar and share transfer agents registered with SEBI and eligible to procure Bids from ASBA Bidders at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| “Registrar” or “Registrar to the Offer” | Link Intime India Private Limited |
| “Resident Indian” | A person resident in India, as defined under FEMA |
| “Retail Individual Bidders” or “RIB(s)” | Individual Bidders (including HUFs applying through their karta and Eligible NRIs) who have not submitted a Bid for Equity Shares for a Bid Amount of more than ₹ 200,000 in any of the Bidding options in the Offer |
| “Retail Portion” | The portion of the Offer being not more than 10% of the Offer available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price |
| “Revision Form” | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any prior Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Offer Period and withdraw their Bids until Offer Closing Date |
| “Self Certified Syndicate Bank(s)” or “SCSB(s)” | Banks which are registered with SEBI under the BTI Regulations, which offer the facility of ASBA, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time |
| “Specified Locations” | Bidding centers where the Syndicate shall accept the Bid cum Application Forms for Bidders |
| “Share Escrow Agent” | Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely [●] |
| “Share Escrow Agreement” | The agreement to be entered into amongst our Company, the Promoter Selling Shareholder, and the Share Escrow Agent for deposit of the Equity Shares offered by the Promoter Selling Shareholder in escrow. |
| “Stock Exchange(s)” | BSE Limited and National Stock Exchange of India Limited |
| “Sub Syndicate” | The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms |
| “Syndicate Agreement” | The agreement to be entered into amongst the Syndicate, our Company and the Promoter Selling Shareholder in relation to collection of Bids by the Syndicate |
| “Syndicate Bidding Centres” | Syndicate and Sub Syndicate centres established for acceptance of the Bid cum Application Form and Revision Forms |
| “Syndicate Members” | Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter to be appointed pursuant to the Syndicate Agreement |
| “Syndicate” or “members of the Syndicate” | The BRLMs and the Syndicate Members |
| “Underwriters” | The BRLMs and the Syndicate Members |
| “Underwriting Agreement” | The agreement to be entered into amongst the Underwriters, the Promoter Selling Shareholder and our Company on or after the Pricing Date |
| “Wilful Defaulter” | A wilful defaulter, as defined under the SEBI ICDR Regulations |
| “Working Day” | All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Offer Period, |

| Term | Description |
|------|--|
| | Working Day shall mean all days except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

Conventional or general terms and abbreviations

| Term | Description |
|---|---|
| “AGM” | Annual general meeting |
| “AIFs” | Alternative investment funds as defined in and registered under the AIF Regulations |
| “AIF Regulations” | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| “AMC” | Asset management company |
| “AMFI” | Association of Mutual Funds in India |
| “AML” | Anti-money laundering |
| “AS” | Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time |
| “AUM” or Assets under management | With respect to a mutual fund, the total market value of all the financial assets which such mutual fund manages on behalf of its customers |
| “BSE” | BSE Limited |
| “BTI Regulations” | Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 |
| “CAGR” | Compounded Annual Growth Rate |
| “Calendar Year” or “year” | Unless the context otherwise requires, shall refer to the twelve month period ending December 31 |
| “Category III Foreign Portfolio Investors” or “Category III FPIs” | FPIs who are registered as “Category III foreign portfolio investors” under the FPI Regulations |
| “CCI” | Competition Commission of India |
| “CDSL” | Central Depository Services (India) Limited |
| “CFO” | Chief Financial Officer |
| “Companies Act, 1956” | Companies Act, 1956, and the rules, regulations, modifications and clarifications made thereunder, as the context requires |
| “Companies Act, 2013” | Companies Act, 2013 and the rules, regulations, modifications and clarifications thereunder, to the extent notified |
| “Companies Act” | Companies Act, 1956, to the extent not repealed, and/ or the Companies Act, 2013 |
| “Cr.P.C.” | Code of Criminal Procedure, 1973 |
| “CSR” | Corporate social responsibility |
| “Depositories Act” | Depositories Act, 1996 |
| “Depository” or “Depositories” | NSDL and CDSL |
| “DIN” | Director Identification Number |
| “DP” or “Depository Participant” | A depository participant as defined under the Depositories Act |
| “DP ID” | Depository Participant’s Identification Number |
| “EBITDA” | Earnings before interest, tax, depreciation and amortisation |
| “EGM” | Extraordinary general meeting |
| “EPS” | Earnings per share (as calculated in accordance with IND AS-33) |
| “FDI” | Foreign direct investment |
| “FEMA” | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder |
| “FEMA Regulations” | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| “Financial Year”, “Fiscal”, “FY” or “F.Y.” | Period of twelve months ending on March 31 of that particular year, unless stated otherwise |

| Term | Description |
|--|--|
| “FIIs” | Foreign institutional investors |
| “FII Regulations” | <i>Erstwhile</i> Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| “FIR” | First information report |
| “FPI(s)” | Foreign Portfolio Investor, as defined under the FPI Regulations, including FIIs and qualified foreign investors, which are deemed to be foreign portfolio investors |
| “FPI Regulations” | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| “FIPB” | Foreign Investment Promotion Board |
| “FVCI” | Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations |
| “FVCI Regulations” | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000 |
| “GDP” | Gross domestic product |
| “GIR Number” | General index registration number |
| “GoI” or “Government” or “Central Government” | Government of India |
| “GST” | Goods and services tax |
| “HUF” | Hindu undivided family |
| “ICAI” | The Institute of Chartered Accountants of India |
| “ICDS” | Income Computation and Disclosure Standards |
| “IFRS” | International Financial Reporting Standards |
| “Ind AS” | Indian Accounting Standards |
| “Indian GAAP” | Accounting principles generally accepted in India |
| “Insider Trading Regulations” | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| “IPC” | The Indian Penal Code, 1860 |
| “IPR” | Intellectual property rights |
| “IPO” | Initial public offer |
| “IST” | Indian standard time |
| “IT Act” | The Income Tax Act, 1961 |
| “IT” | Information technology |
| “Listing Agreement” | The equity listing agreement to be entered into by our Company with each of the Stock Exchanges |
| “Listing Regulations” | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| “MCA” | Ministry of Corporate Affairs, Government of India |
| “MICR” | Magnetic ink character recognition |
| “Mn” or “mn” | Million |
| “MPID” | Maharashtra Protection of Interest of Depositors (in Financial Establishments) Act, 1999 |
| “Mutual Funds” | A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| “N.A.” | Not applicable |
| “NAV” | Net asset value |
| “NBFC” | Non-Banking Financial Company |
| “NECS” | National electronic clearing service |
| “NEFT” | National electronic fund transfer |
| “N.I. Act” | The Negotiable Instruments Act, 1881 |
| “NOC” | No objection certificate |
| “NRE Account” | Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 |
| “NRI” or “Non- Resident Indian” | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |

| Term | Description |
|--|--|
| “NRO Account” | Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 |
| “NSDL” | National Securities Depository Limited |
| “NSE” | National Stock Exchange of India Limited |
| “NSEL” | National Spot Exchange Limited |
| “OCB” or “Overseas Corporate Body” | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer |
| “P/E Ratio” | Price/earnings ratio |
| “PAN” | Permanent account number allotted under the I.T. Act |
| “RBI” | Reserve Bank of India |
| “Regulation S” | Regulation S under the Securities Act |
| “RONW” | Return on net worth |
| “Rs.” or “Rupees” or “₹” or “INR” | Indian Rupees |
| “RTGS” | Real time gross settlement |
| “SCRA” | Securities Contracts (Regulation) Act, 1956 |
| “SCRR” | Securities Contracts (Regulation) Rules, 1957 |
| “SEBI” | Securities and Exchange Board of India constituted under the SEBI Act |
| “SEBI Act” | Securities and Exchange Board of India Act, 1992 |
| “SEBI ICDR Regulations” | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| “Securities Act” | US Securities Act of 1933 |
| “SICA” | Sick Industrial Companies (Special Provisions) Act, 1985 |
| “STT” | Securities Transaction Tax |
| “State Government” | Government of a State of India |
| “Systemically Important Non-Banking Financial Company”/ “SI NBFCs” | A non-banking financial company registered with the RBI and having a net worth of more than ₹ 5,000 million rupees as per the last audited financial statements |
| “Takeover Regulations” | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| “U.S.A”/ “U.S.”/ “United States” | The United States of America |
| “VAT” | Value added tax |

Industry related terms

| Term | Description |
|-------------|-------------------------------------|
| AAUM | Average Assets under Management |
| APAC | Asia-Pacific |
| Bn. | Billion |
| CSO | Central Statistics Organization |
| EMEA | Europe, Middle East, and Africa |
| ETFs | Exchange Traded Funds |
| FDI | Foreign Direct Investment |
| FII | Foreign institutional investors |
| FY | Financial Year |
| IIA | India Industries Association |
| IMF | International Monetary Fund |
| IFAs | Independent financial advisors |
| LIC | Life Insurance Corporation of India |
| PPP | Public Private Partnership |

| Term | Description |
|-------------|---|
| QAAUM | Quarterly Average Assets Under Management |
| SRO | Self-regulatory organization |
| UHNH | Ultra-High Networth Households |
| UHNI | Ultra-High Net-Worth Individual |
| UTI | Unit Trust of India |
| WMS | Wealth management services |
| YoY | Year on Year |

Unless the content otherwise requires, the words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI ICDR Regulations, the SEBI Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Capitalised terms in “*Main Provisions of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Regulations and Policies in India*”, “*Financial Information*” and “*Outstanding Litigation and Material Development*”, on pages 442, 113, 116, 158, 207 and 354, will have the meaning given to such terms in these respective sections.

Notwithstanding the foregoing, terms specifically defined in this Draft Red Herring Prospectus, shall have the meanings given to such terms in the sections where specifically defined.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and all references to “U.S.”, “US”, “USA” or “United States” are to the United States of America. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Information. The Restated Financial Information has been prepared in accordance with the requirements of the Companies Act, 2013, Ind-AS and Indian GAAP, as applicable, and restated in accordance with the SEBI ICDR Regulations.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the following year and accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

There are significant differences between Indian GAAP, Ind-AS, IFRS and U.S. GAAP. While a limited reconciliation of Ind-AS and Indian GAAP numbers has been provided, our Company does not provide a reconciliation of its financial statements to IFRS or US GAAP financial statements. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Restated Financial Information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind-AS, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. For details in connection with risks involving differences between Indian GAAP and IFRS, please see “*Risk Factor – Differences exist between Ind-AS/Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors’ assessments of our financial condition. Additionally, the financial measures and statistical information in the Restated Financial Information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.*” on page 29 of this Draft Red Herring Prospectus.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 18, 142 and 331 of this Draft Red Herring Prospectus, respectively, and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Information.

Currency and units of presentation

All references to:

- “Rupees” or “Rs.” or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India.
- “US Dollars” or “US\$” or “USD” are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information in “million” and “billion” units. One million represents ‘10 lakhs’ or ‘1,000,000’ and one billion represents ‘1,000 million’ or ‘1,000,000,000’.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, our Directors, our Promoters, the Promoter Selling Shareholder, the BRLMs or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "Risk Factors" on page 18 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

The sections entitled "Summary of Industry", and "Industry Overview" on pages 45 and 116 of this Draft Red Herring Prospectus, respectively and other information in this Draft Red Herring Prospectus have been derived or extracted from the industry report, which contains the following disclaimer:

"This report is prepared by CARE Advisory. CARE Advisory has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Advisory operates independently of CARE Ratings Limited and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument.

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Exchange Rates

This Draft Red Herring Prospectus contains conversions of US\$ currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The following table provides, for the periods indicated, information with respect to the exchange rates between the Rupee and the US \$ (in ₹ per US \$):

| Currency | As on March 28, 2018 ⁽¹⁾ | As on March 31, 2017 | As on March 31, 2016 | As on March 31, 2015 | As on March 28, 2014 ⁽²⁾ |
|----------|-------------------------------------|----------------------|----------------------|----------------------|-------------------------------------|
| USD | 65.04 | 64.84 | 66.33 | 62.59 | 60.10 |

Source: RBI website

⁽¹⁾Not available from March 29, 2018 to March 31, 2018 on account of these being non-trading days; Exchange rate as on March 28, 2018 considered.

⁽²⁾Not available from March 29, 2014 to March 31, 2014 on account of these being non-trading days; Exchange rate as on March 28, 2014 considered.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements include statements with respect to our business strategy, objectives, our plans, prospects, goals and our projects. Bidders can generally identify forward-looking statements by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans, prospects or goals are also forward-looking statements. All forward-looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Anand Rathi Commodities Limited, one of our Group Companies, is involved in a proceeding with SEBI. Any adverse outcome in the matter would have an adverse effect on the brand and reputation of the Anand Rathi Group, which could have an adverse impact on our business, financial condition and results of operations.
2. Our acquisition of FWSPL is subject to SEBI’s approval for change of control, for which a post facto application and a settlement application with SEBI has been made. In the event of non-receipt of such approval, we may be required to unwind our acquisition of FWSPL which could have an adverse effect on our business and results of operations.
3. Our inability to manage our growth could adversely affect our business, results of operations and financial condition.
4. We depend on the services of our Relationship Managers and any inability to recruit and retain them may adversely affect our business and results of operations.
5. Our revenues from distribution and sale of financial products are dependent on our sustained ability to increase our AuA as well as on the performance of the funds that we distribute.
6. Competition from existing and new market participants in our line of business may affect our market share, or results of operations.
7. Our results are also dependent on the strength and reputation of the brand ‘ANANDRATHI’, as well as the reputation of other entities forming part of the Anand Rathi Group.
8. We operate in a highly regulated environment, which is subject to change, and existing and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business, financial condition and results of operations.
9. There is outstanding litigation against our Company, our Subsidiaries, our Promoters, our Directors and our Group Companies, which if determined adversely, could affect our business and results of operations.
10. We have had certain instances of non-compliances and delays with respect to certain requirements under FEMA. We cannot assure you that we will not be subjected to any liability on account of such non-compliances.

For further discussion on factors that could cause our actual results to differ, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 18, 142 and 331 of this Draft Red Herring Prospectus, respectively. By their nature, certain market risk related

disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure Bidders that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Our Company, the Promoter Selling Shareholder, the Directors, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that Bidders in India are informed of material developments from the date of the Red Herring Prospectus until such time as the grant of listing and trading permissions by the Stock Exchanges. The Promoter Selling Shareholder will ensure that investors are informed of material developments in relation to statements and undertakings made by them in the Red Herring Prospectus until the time of grant of listing and trading permission by the Stock Exchanges. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares.

To obtain a more detailed understanding of our business and operations, prospective investors should read this section in conjunction with “Our Business”, “Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Outstanding Litigation and Material Developments” on pages 142, 207, 331 and 354 of this Draft Red Herring Prospectus, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segments in which we currently operate. In addition, the risks provided in this section may not be exhaustive and additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, financial condition, results of operations and prospects. If any of the following risks (or a combination of them), or other risks that are not currently known or are now deemed immaterial, actually occur, our businesses, financial condition, results of operations, and prospects could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer, including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences of investing in the Offer.

Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see “Forward-Looking Statements” on page 16 of this Draft Red Herring Prospectus.

Unless otherwise stated or the context otherwise requires, references in this section to “we”, “our” or “us” are to the Anand Rathi Wealth Management Group.

Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. The financial information in this section is derived from our Restated Financial Information unless otherwise stated.

Internal Risk Factors

- 1. Anand Rathi Commodities Limited, one of our Group Companies, is involved in a proceeding with SEBI. Any adverse outcome in the matter would have an adverse effect on the brand and reputation of the Anand Rathi Group, which could have an adverse impact on our business, financial condition and results of operations.***

By way of a notification dated June 5, 2007, the Central Government exempted NSEL from complying with certain requirements of the FCRA in relation to all one day forward contracts, subject to certain conditions, including, amongst other things, no short selling by the members of the exchange and that all outstanding positions of the trade at the end of the day shall result in delivery. On April 27, 2012, the Ministry of Consumer Affairs issued a show cause to NSEL stating, amongst other things, that it was violating the conditions of the exemption granted by the Central Government, and directed NSEL to refrain from launching fresh / further contracts and to settle all existing contracts on their due dates. Subsequently, NSEL, amongst other things, suspended the launch of any new contracts in commodities or products, suspended trading in any existing contracts, and announced a settlement plan in terms of which NSEL had to receive approximately ₹55,743.50 million from 24 buyers and to make a pay-out of ₹53,805.30 million to 148 members. However, this settlement has not been completed as of the date of this DRHP.

The Economic Offence Wing of Mumbai Police (“EOW”) investigated into the above and forwarded their interim report dated April 4, 2015 to the FMC, particularly with respect to the role played by commodity brokers, in terms of which, while the EOW was taking cognisance of the criminal aspects of the matter, the

intervention of FMC was sought in relation to potential violations of codes of conduct or licensing terms. Subsequently, on October 28, 2016, a show cause notice was issued by SEBI under the SEBI Intermediaries Regulations to Anand Rathi Commodities Limited (“**2016 SCN**”), enquiring into purported violations by Anand Rathi Commodities Limited by alleging, amongst other things, fraudulent trading on NSEL’s platform, fraudulent modification of client codes, engaging in circular trading and other suspicious transactions, trading in clients’ names without their permission, funding ARCL’s clients through Anand Rathi Global Finance Limited (one of our Group Companies, which is an NBFC forming part of the Anand Rathi Group), lapses in margin collection from clients, that Anand Rathi Commodities Limited is no longer fit and proper for holding its certificate of registration in the securities market for various operational and procedural lapses.

ARCL has responded to the allegations set out in the 2016 SCN on January 6, 2017, and sought opportunities for inspection of various documents referred to in the 2016 SCN. Subsequently, on April 24, 2017, a subsequent show cause notice was issued by SEBI under the SEBI Intermediaries Regulations to ARCL (“**2017 SCN**”), based on an enquiry report dated April 11, 2017 submitted by a bench of designated authorities in terms of the SEBI Intermediaries Regulations, which recommended rejection of an application submitted by ARCL for renewal of its registration as a commodity broker, and initiation of prosecution proceedings under the FCRA. In relation to the 2017 SCN, ARCL had through various letters, sought all relevant documents and necessary inspection of the originals thereof. Subsequently, SEBI, by way of an email dated February 15, 2018, granted a hearing on the issue of inspection of documents on February 27, 2018, which was duly attended by Company’s representative. Further, ARCL has, by way of its letter dated July 19, 2018, requested SEBI not to process its registration application and approve the withdrawal of application for registration/ surrender of (deemed) registration at an early date, which was not entertained by SEBI and communicated to ARCL by way of a letter dated August 24, 2018. Further, on the limited issue of inspection of documents, SEBI by way its order dated August 30, 2018, held that all the relevant documents and clarifications to enable ARCL to submit its defence had been provided, and directed ARCL to submit its reply on merits within a period of three weeks, and appear for personal hearing on September 27, 2018. ARCL has, by way of a writ petition dated September 18, 2018, challenged the 2016 SCN, 2017 SCN and SEBI letter dated August 24, 2018 before the High Court of Bombay seeking, amongst other things, (a) a writ of *certiorari* for quashing the 2016 SCN, 2017 SCN and SEBI letter dated August 24, 2018; and (b) a writ of prohibition restraining the respondents from seeking to exercise jurisdiction in any manner including but not limited to conducting any proceedings and/ or from taking any action and/ or acting in furtherance to the 2016 SCN and 2017 SCN for want of jurisdiction in view of ARCL’s withdrawal of application for registration.

An adverse outcome in relation to the matters above, including the 2016 SCN or the 2017 SCN, could result in, amongst other things, Anand Rathi Commodities Limited ceasing to carry on its current business, the imprisonment of certain senior management of the Anand Rathi Group, including our Managing Director, Mr. Amit Rathi, who is also a part of our Promoter Group, and the imposition of penalties on ARCL, any of which could have an adverse effect on the brand and reputation of the Anand Rathi Group, which could have an impact on the ability to conduct our business, financial condition and results of operations. For further details in relation to our reliance on the brand and reputation of the Anand Rathi Group, please refer to the risk factor “-Our results are also dependent on the strength and reputation of the brand ‘ANANDRATHI’, as well as the reputation of other entities forming part of the Anand Rathi Group.” and “Outstanding Litigation and Other Material Developments” on pages 22 and 354 of this Draft Red Herring Prospectus.

- 2. Our acquisition of FWSPL is subject to SEBI’s approval for change of control, for which a post facto application and a settlement application with SEBI has been made. In the event of non-receipt of such approval, we may be required to unwind our acquisition of FWSPL which could have an adverse effect on our business and results of operations.***

ARWMPL, one of our Subsidiaries, acquired 95.1% of the equity shares of FWSPL in August, 2016 pursuant to a share purchase agreement dated August 10, 2016. Subsequently, ARWMPL transferred its entire shareholding in FWSPL to our Company. In accordance with the SEBI (Investment Advisers) Regulations, 2013, a prior approval of SEBI was required to be obtained for ARWMPL’s acquisition of FWSPL on account of change of control. In this regard, on March 19, 2018, FWSPL applied to SEBI to for its post-facto approval for change in control under the SEBI (Investment Advisers) Regulations, 2013. In parallel, on March 19, 2018 (amended by way of a letter dated July 23, 2018), FWSPL filed an application for settlement in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014

for consummating the acquisition without obtaining SEBI's prior approval in terms of the SEBI (Investment Advisers) Regulations, 2013.

While these applications are currently pending before SEBI, we cannot assure you that SEBI will approve the acquisition of equity shares of FWSPL by ARWMPL on a post facto basis or even if approved, that SEBI will not impose onerous conditions, including financial obligations on us as a part of the settlement process. Accordingly, although FWSPL is one of our Subsidiaries as of the date of this Draft Red Herring Prospectus, in the event that this acquisition is not permitted by SEBI, our acquisition of FWSPL may be required to be unwound, which could have an adverse effect on our business and results of operations. FWSPL is engaged in, amongst other things, the business of providing consultancy wealth management services, wealth planning, financial planning, retirement planning and investment planning. FWSPL's revenue from operations and other income, profit after tax and net worth as of, and for, Fiscal 2018 was ₹ 43.54 million, ₹4.86 million and ₹ 45.73 million, respectively.

3. *Our inability to manage our growth could adversely affect our business, results of operations and financial condition.*

Our business, measured in terms of AuA, which was ₹169.97 billion as at July 31, 2018, has grown at a CAGR of 40.03% since March 31, 2014 to July 31, 2018. During the same period, the number of Relationship Managers increased to 208 as at July 31, 2018 from 60 as at March 31, 2014. In Fiscal 2017, ARAL transferred its mutual fund distribution business to our Company for which we did not pay any consideration to ARAL. Further, we acquired FWSPL and we started our DWM vertical. Additionally, in Fiscal 2017, we acquired the wealth management business of Religare Wealth Management Limited. Our DWM vertical has an AuA of ₹ 2.95 billion with 1,978 clients as of July 31, 2018. The number of IFAs who have subscribed to our OFA platform has increased to 4,923 as of July 31, 2018 from 1,300 as on March 31, 2017 and the Platform Assets as of July 31, 2018 was ₹557.26 billion. We cannot assure you that we will be able to replicate or sustain the growth we have witnessed in the past few years.

The investment performance of our clients varies from time to time and such variance can be wide. The products distributed and sold by us may have benefitted recently from positive market conditions and the economic scenario. However, these conditions may not sustain, and we may not be able to grow in the same manner as we historically have, which could have an adverse impact on the investment performance for our clients which may impact our ability to retain clients or attract new clients.

Our growth strategy includes, amongst other things, expanding our team of Relationship Managers, business acquisitions, using technology to create scalability and brand building and marketing. Implementation of these growth strategies will place significant demand on our management, financial and other resources, and will require us to continuously develop and improve our operational, financial and internal controls. Any inability on our part to scale up or develop our internal systems may hinder the growth of our business.

4. *The Restated Financial Information included in this Draft Red Herring Prospectus do not provide comparable historical performance of our underlying business as they do not fully reflect the effects of certain strategic transactions undertaken by us.*

The Restated Financial Information included in this Draft Red Herring Prospectus do not provide comparable historical performance of our underlying business because of the following reasons:

Acquisition of distribution business of Religare Wealth Management Limited: In Fiscal 2017, our Company purchased the wealth management business of Religare Wealth Management Limited. We acquired the assets pertaining to various financial products distributed by Religare Wealth Management Limited including mutual funds, third party venture capital fund products, alternate investment fund products, structured products and portfolio management services distributed by Religare Wealth Management Limited and assets in relation to purchase and sale transactions entered into by Religare Wealth Management Limited in relation to listed equity shares, debentures, exchange traded funds, exchange traded futures and options and similar securities.

Acquisition of our Subsidiaries, FWSPL and FIINFRA: In Fiscal 2017, our Company, through AR Wealth Management Private Limited, acquired FWSPL and its wholly owned subsidiary FIINFRA, for our OFA vertical.

Transfer of wealth management business: Our wealth management business was transferred from Anand Rathi Financial Services Limited to Anand Rathi Advisors Limited in Fiscal 2016. Subsequently, Anand Rathi Advisors Limited transferred the wealth management business to Anand Rathi Wealth Services Limited (called as AR Venture Funds Private Limited at the time of this transfer) in Fiscal 2017.

As a result of the foregoing factors, the Restated Financial Information for Fiscal 2018 and Fiscal 2017 and prior fiscals contained in this Draft Red Herring Prospectus do not provide comparable historical performance of our underlying business, and we cannot assure you that the comparative descriptions included in this Draft Red Herring Prospectus provide a true representation of the changes to our underlying business. Accordingly, investors will not have the benefit of considering comparable historical business performance over multiple prior periods, which could be beneficial when evaluating our future prospects and investors should be aware of the limitations of the Restated Financial Information. For further details, please see “*Management’s Discussion and Analysis of Financial Condition and results of Operations*” on page 331 of this Draft Red Herring Prospectus.

5. ***We depend on the services of our Relationship Managers and any inability to recruit and retain them may adversely affect our business and results of operations.***

The industry in which we operate is people-centric. The success of our business is dependent substantially on the continued service and performance of our Relationship Managers. Our Relationship Managers are integral for our Company to manage existing client relationships as well as establish new client relationships.

Our ability to sustain our rate of growth also depends, to a large extent, upon our ability to recruit trained and efficient employees and retain high performing Relationship Managers and key managerial personnel to maintain a high standard of client service. Our inability to attract and retain Relationship Managers or train account managers to grow into Relationship Managers may have an adverse impact on our business and future financial performance. If such personnel were to leave, they may seek to solicit our clients after termination of their employment, and, therefore, the loss of these personnel could also cause us to lose certain of our AuA.

6. ***Our revenues from distribution and sale of financial products are dependent on our sustained ability to increase our AuA as well as on the performance of the funds that we distribute.***

We earn commission income from asset management companies for our mutual fund distribution business. We also generate a part of our operating income through purchase and sale of financial products to our clients. The mutual fund products distributed, and financial products sold, to our clients constitute a significant part of our AuA and revenue. Willingness of investors to make investments in asset classes is contingent on its ability to generate returns, in line with or in excess of client expectations. Market conditions, economic volatility or changing financial environment may render the asset classes or products we offer less attractive to investors. Any inability on our part to distribute or offer appropriate financial products to clients or if such products underperform either according to their relevant benchmarks, or similar investment products provided by our competitors, for various reasons including general market conditions, investment decisions taken by the fund manager, inability to identify appropriate investment opportunities and the performance of the companies in which the funds are invested in, may lead to a failure to meet the clients return expectations on their investments. Underperformance by the financial products distributed or sold by us may result in withdrawal of clients and restrict our ability to attract new clientele, further leading to potential reduction in AuA. While the performance of the funds distributed by us is outside our control, it is an important factor for us to sustain the growth of our AuA. The performance of these funds depends, primarily, on the general market conditions, investment performance made by the respective fund managers and existing competition in the market. If we are unable to sustain the increase in our AuA or the funds that we distribute underperform, clients may seek distributors or directly invest in financial products themselves, which in turn could result in reduced revenue from distribution and sale of financial products and, thus, could adversely impact our revenues and results of operations.

7. ***Competition from existing and new market participants in our line of business may affect our market share, or results of operations.***

We face competition from the wealth management arms of several market participants, including established Indian and foreign banks, as well as private banks and dedicated wealth management companies. We also compete with a large number of independent financial advisors as a consequence of the fragmented wealth management market in India. As a result, we may face difficulty in attracting and retaining clients and their funds. Further our competition consists of large, integrated banks with wide geographical reach which offer a variety of financial services and enables them to leverage their existing platforms and services to cross-sell their wealth management services. Further, with the rise in the use of technology, we may face competition from new entrants in the industry who may leverage technology to provide products and services similar to us or which our clients prefer over services provided by us. This increased competition may result in our inability to grow or maintain our market share. It may also result in reduced AuA, which may adversely affect our results of operations.

8. ***Our results are also dependent on the strength and reputation of the brand 'ANANDRATHI', as well as the reputation of other entities forming part of the Anand Rathi Group.***

We operate our business under the aegis of 'ANANDRATHI', a brand which is owned by, and is currently in the process of registration in favour of, ARFSL and is used by multiple entities in the Anand Rathi Group. This trademark is licensed to us through a license agreement dated April 1, 2018, which will be continue to have effect unless mutually terminated by ARFSL and our Company. Our business prospects and ability to attract clientele are, to a certain extent, dependent on the strength and reputation of the brand 'ANANDRATHI' as well as the reputation of other entities forming part of the Anand Rathi Group. Our reputation could be affected by the conduct or performance of other entities forming part of the Anand Rathi Group, over which we have no control and have rights to use the same brand as us. While we believe that our brand is well recognised, we may be vulnerable to adverse market and client perception, particularly in an industry where integrity, trust and client confidence are paramount. We are exposed to the risk that litigation, misconduct, operational failure, negative publicity (including through social media channels) or press speculation could harm our brand and reputation.

Further, negative publicity may result in greater regulatory scrutiny of our operations and of the industry generally. As the 'ANANDRATHI' brand is intrinsically linked to our Company, any reputational harm to entities in the Anand Rathi Group, can materially and adversely impact our business and operations.

9. ***We operate in a highly regulated environment, which is subject to change, and existing and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business, financial condition and results of operations.***

We are subject to a variety of financial services regulation in the jurisdictions where we operate, including, the SEBI Act, the SEBI (Intermediaries) Regulations, 2003, the SEBI (Investment Advisers) Regulations, 2013 directions issued by AMFI, etc. The laws and regulations governing advisory and distribution services relating to financial products have become increasingly complex and cover a wide variety of issues, including registration, disclosures, conflicts and insider trading. We believe that significant regulatory changes in our industry are likely to continue on a scale that exceeds the historical pace of regulatory change, which is likely to subject industry participants to additional and generally more stringent regulations. The requirements imposed by our regulators are designed to ensure the integrity of the financial markets and to protect investors and other third parties who deal with us, and are not typically designed to protect our shareholders. Consequently, these regulations often serve to limit our activities and/or increase our costs, including through investor protection and market conduct requirements. We may also be adversely affected by changes in the interpretation or enforcement of existing laws and rules by various governmental authorities and self-regulatory organisations.

For example, SEBI issued a consultation paper on January 2, 2018, which proposed certain amendments to the SEBI (Investment Advisers) Regulations, 2013, including a clear segregation between providing investment advice and distribution of the investment products/ execution of investment transactions wherein the banks, NBFCs, body corporates, LLPs and firms providing distribution services shall not provide investment advice and vice versa. SEBI has also proposed parameters to be followed by mutual fund distributors. While such proposals of SEBI are yet to be implemented, we cannot assure you that any of these proposals will not impact our business structure (including cessation of any businesses), thereby impacting our business prospects, financial condition and results of operations.

For further details, please see “*Regulations and Policies*” on page 158 of this Draft Red Herring Prospectus.

10. ***There is outstanding litigation against our Company, our Subsidiaries, our Promoters, our Directors and our Group Companies, which if determined adversely, could affect our business and results of operations.***

In the ordinary course of our business, our Company, our Subsidiaries, our Promoters, our Directors and Group Companies are involved in certain legal proceedings, pending at varying levels of adjudication before various courts, tribunals and appellate authorities. Any such action may include claims for substantial or unspecified compensatory and punitive damages, as well as civil, regulatory or criminal proceedings against our Directors, officers or employees, and the probability and amount of liability, if any, may be significant or remain unknown for significant periods of time. In this Draft Red Herring Prospectus, pending litigation involving our Company other than criminal proceedings, statutory or regulatory actions and taxation matters (pending actions or any actions taken in the past five years), are considered material if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of ₹ 22.37 million.

A summary of such legal proceedings, including material legal proceedings, is set out below:

Litigation against our Company

(in ₹ million except where otherwise stated, to the extent ascertainable)

| Nature of litigation | Number of outstanding cases | Amount involved |
|---|------------------------------------|------------------------|
| 1. Criminal proceedings | Nil | - |
| 2. Regulatory/ statutory proceedings | Nil | - |
| 3. Taxation proceedings | Nil | - |
| - Direct | | |
| - Indirect | | |
| 4. Other matters exceeding the materiality thresholds | Nil | - |

Litigation against our Directors

(in ₹ million except where otherwise stated, to the extent ascertainable)

| Nature of litigation | Number of outstanding cases | Amount involved |
|---|------------------------------------|------------------------|
| 1. Criminal proceedings | 4 | - |
| 2. Regulatory/ statutory proceedings | 2 | - |
| 3. Taxation proceedings | | |
| - Direct | 2 | 3.68 |
| - Indirect | Nil | - |
| 4. Other matters exceeding the materiality thresholds | 1 | 73.15 |

Litigation against our Subsidiaries

(in ₹ million except where otherwise stated, to the extent ascertainable)

| Nature of litigation | Number of outstanding cases | Amount involved |
|---|------------------------------------|------------------------|
| 1. Criminal proceedings | Nil | - |
| 2. Regulatory/ statutory proceedings | Nil | - |
| 3. Taxation proceedings | | |
| - Direct | 2 | 15.60 |
| - Indirect | Nil | - |
| 4. Other matters exceeding the materiality thresholds | Nil | - |

Litigation against our Promoters

(in ₹ million except where otherwise stated, to the extent ascertainable)

| Nature of litigation | Number of outstanding cases | Amount involved |
|--------------------------------------|------------------------------------|------------------------|
| 1. Criminal proceedings | 3 | - |
| 2. Regulatory/ statutory proceedings | 2 | - |
| 3. Taxation proceedings | | |
| - Direct | 8 | 68.12 |

| Nature of litigation | Number of outstanding cases | Amount involved |
|---|------------------------------------|------------------------|
| - Indirect | Nil | - |
| 4. Other matters exceeding the materiality thresholds | 2 | 107.50 |

Litigation against our Group Companies

(in ₹ million except where otherwise stated, to the extent ascertainable)

| Nature of litigation | Number of outstanding cases | Amount involved |
|---|------------------------------------|------------------------|
| 1. Criminal proceedings | 4 | - |
| 2. Regulatory/ statutory proceedings | 9 | - |
| 3. Taxation proceedings | | |
| - Direct | Nil | - |
| - Indirect | 6 | 172.39 |
| 4. Other matters exceeding the materiality thresholds | 5 | 195.48 |

Given the uncertainties and complexity of many of these regulatory or legal proceedings, their outcome generally cannot be predicted with any reasonable degree of certainty.

We cannot assure you that any of the outstanding legal proceedings will be settled in our favour, or that no additional liability will arise out of these proceedings. We may incur significant expenses and management time in such legal proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. An adverse outcome in any of these proceedings could have an adverse effect on our business, financial condition, results of operations, and prospects.

Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant harm to our reputation, which could materially affect our prospects and future growth, including our ability to attract new contracts, retain current contracts and recruit and retain employees and agents.

For further details, see “*Outstanding Litigation and Other Material Developments*” on page 354 of this Draft Red Herring Prospectus.

11. ***We have had certain instances of non-compliances and delays with respect to certain requirements under FEMA. We cannot assure you that we will not be subjected to any liability on account of such non-compliances.***

We have had instances of non-compliances and delays with respect to certain requirements under FEMA. For example, we have had (i) an instance of delayed form FC- GPR filings for allotment of equity shares of face value of ₹ 10 each to an NRI pursuant to Shareholders Agreement dated August 10, 2016, and (ii) an instance of non-filing of Form FC-TRS for transfer of equity shares of face value of ₹ 10 each to an NRI pursuant to share purchase agreement dated August 10, 2016. In this regard our Company may be required to compound such offences along with payment of such amount as may be imposed by the RBI. We cannot assure you that we will not be subjected to any liability on account of such non-compliances. If we are subject to any such liability, it may have a material adverse effect on our reputation, financial condition and results of operations.

12. ***There have been certain instances of discrepancies in relation to certain of our corporate records and statutory filings required to be made by us with the RoC under applicable laws as well as certain other non-compliances incurred by us under various laws.***

There have been certain discrepancies in relation to statutory filings required to be made by us with the RoC under applicable laws as well as certain other non-compliances incurred by us under the Companies Act, 1956 and the Companies Act, 2013. As of the date of this Draft Red Herring Prospectus, we have filed applications for compounding with the Registrar of Companies, Maharashtra at Mumbai, in relation to these non-compliances. There can be no assurance that the said Registrar of Companies, or any other statutory/regulatory authority, will not take an adverse view and impose penalties on our Company in this regard or that the individuals or Directors of our Company will not be punishable with imprisonment or monetary penalties. These applications pertain to, inter-alia: (i) delay in appointment of Independent Directors, (ii) delay in constituting the Audit Committee, and (iii) delay in constituting the Nomination and Remuneration Committee. Further, we were in non-compliance with certain disclosure requirements under

the Companies Act, pertaining to disclosure in the Board report with respect to the composition of the Audit Committee.

Additionally, there is a discrepancy between the names of one of the initial subscribers to our Memorandum of Association and the minutes of the meeting of our Board on March 25, 1995. While our Memorandum of Association and our register of shareholders states that one of the initial subscribers was Mr. Sidharth Jadhav, the minutes of the meeting of our Board states that it was Mr. Santosh Jadhav. While we have a compliance team that guides us on various aspects of agreements and documentation for agreements, we cannot assure you that all agreements entered into by our Company are in strict compliance with all applicable laws, regulations, circulars, ordinances, statutes. Our Company in the past has failed to comply with the requirements of opening and maintaining a separate bank account for receipt of application monies in respect of a private placement of equity shares in Fiscal 2017. In light of the above, we cannot assure you that the RoC will approve our compounding applications or that they will not prescribe significant penalties. Further, we cannot assure you that we will not be subjected to any regulatory action or penalties for such non-compliances. If any of the regulatory authority deems that any of the various agreements entered into by our company are not in compliance with applicable laws we may have to renegotiate such contracts which may involve significant senior management time, face penalties, may be restricted in our ability to enforce such agreements and or face legal action. Any such outcome will adversely impact our business operations and result from operations.

13. *Non-compliance with regulatory guidelines and directions/ observations during inspection by regulatory organisations may have a material adverse effect on our business, financial condition or results of operation.*

We are subject to regular scrutiny and supervision by various regulators, statutory bodies and self regulatory organisations such as SEBI and AMFI. The requirements imposed by these regulators are designed to ensure the integrity of the financial markets and to protect investors' interests. Any non-compliance with regulatory guidelines and directions in future may result in regulatory actions, which includes issuance of administrative/warnings/deficiency letters, fines or sanctions imposed by these regulators and, in certain circumstances, could lead to revocation of certain of our licenses. While we attempt to comply with all regulatory provisions applicable to us, in the event we are not able to comply with the observations made by these regulators, we could be subject to supervisory actions, which may have a material adverse effect on our reputation, financial condition and results of operations.

14. *We have undertaken and may continue to undertake strategic investments and alliances, acquisitions and mergers in the future, which may be difficult to integrate and manage. These may expose us to uncertainties and risks, any of which could adversely affect our business, financial conditions and result of operations.*

We have pursued and may continue to pursue strategic investments and alliances in India as a mode of expanding our operations. Going forward, we may undertake acquisitions, mergers, investments and expansions to enhance our operations and technological capabilities. There can be no assurance that we will be able to raise sufficient funds to finance such strategies for growth. Further, expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations, legal claims, past liabilities, regulatory probes or integration risks and we cannot assure you that such expansion or acquisitions will contribute to our profitability.

Furthermore, the return on capital deployed in such acquisitions will depend on the price of the acquisitions and efficiency of integration of acquired business employees and assets. We may also face numerous risks and uncertainties combining, transferring, separating or integrating the relevant businesses and systems, including the need to align accounting and data-processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. We may not be able to realise the benefits we might anticipate from any such acquisitions, which may adversely affect our growth prospects and results of operations. Moreover, we may expend significant management attention trying to do so, but may not see results. In addition, there can be no assurance that we will be able to consummate our expansions, acquisitions, mergers or alliances in the future on terms acceptable to us, or at all.

Additionally, factors such as competition, culture, regulatory regimes, business practices and customs and client requirements in the markets that we may target differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new

markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those jurisdictions and markets. As these banks and financial institutions are more familiar with local regulations, business practices and customs, they may have developed stronger relationships with clients. Our business expansion may be exposed to various additional challenges, including obtaining the necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship, successfully gauging market conditions in the local markets in which we have no previous familiarity, attracting potential clients in a market in which we do not have significant experience or visibility, being susceptible to local laws, including taxation in additional geographical areas in India and overseas, and adapting our marketing strategy and operations to the different regions. Due to the aforementioned challenges, if we are unable to expand our current operations on favourable terms or at all it may adversely affect our business prospects, financial condition and results of operations.

15. ***Direct investment in mutual funds by our existing as well as potential clients will have an adverse impact on our revenue from mutual fund distribution.***

While we initially commenced our mutual fund distribution business with a business model based on upfront commission, given the larger proportion of equity mutual funds historically distributed by us, we moved to a trail commission model, which has provided us with a recurring commission based on the performance of such funds in the market. Currently, we derive our revenue from operations, from the commission and trail income *i.e.* in the nature of a recurring periodic payment as long as the AuA is reflected in our ARN code that we earn by distribution of mutual funds through our business verticals and from fees received from funds that we distribute to our clients. With growing technology and increase in the ease of investments in such funds, our existing, as well as potential clients may not see significance in choosing to make their investments through us, and may choose to invest in such funds directly, thereby reducing or eliminating our involvement in the process of investments. In the event that such existing or potential clients choose to invest in such funds directly, our AuA or growth in AuA may reduce which would have an adverse impact on our business and results of operations.

16. ***Our distribution arrangement with AMCs can be terminated without notice, or due to failure on our part to comply/ perform.***

A significant portion of our revenue from operations comes as mutual fund distribution revenue from asset management companies on the basis of mutual funds distributed by us. We are empanelled with several asset management companies for whom we act as a mutual fund distributor for their mutual fund schemes. We cannot assure you that our empanelment with these companies will continue, or that we will be able to renew the same upon expiry at favourable terms or at all, which may result in reduced trail income and an adverse effect on our revenues and results of operations.

Furthermore, the increase in depth of the Indian financial markets and increasing investor preference for equity investment or equity-linked products may prompt more asset management companies to commence business operations and offer mutual fund products. We cannot assure you that we will be able to obtain empanelment with these asset management companies, which may affect our business prospects and our results of operations.

17. ***We are highly dependent on our management team and key management personnel. Any loss of such team members or the inability to attract or retain management personnel may have material adverse effect on our business performance.***

Our business and the implementation of our strategy are dependent upon our management team, who oversee our day-to-day operations, strategy and growth of our business. If one or more members of our management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, prospects and results of operations could have a material adverse effect. For further details, see 'Our Management' on page 169 of this Draft Red Herring Prospectus.

We cannot assure that members of our management team will not leave our Company and join our competitors, and that we will be able to find suitable replacements for them, in a timely manner or at all. This could result in an increase in our expenses, a decline in performance of our business, or damage to our reputation.

In addition, we may need to increase employee compensation levels in order to retain our existing team and attract any additional personnel we may require.

Our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate mid-to-senior management personnel. We may be unable to successfully manage our personnel needs which could adversely affect our business prospects and results of operations. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, results of operations and financial condition could be materially adversely affected.

18. ***Our success depends in large part upon our Promoters and certain members of our Promoter Group. If such individuals are unable or unwilling to continue in their present position, they would be difficult to replace and our business, prospects and results of operations could have a material adverse effect.***

Our individual Promoters, Mr. Anand Rathi and Mr. Pradeep Gupta, and our Managing Director, Mr. Amit Rathi, who is also a part of our Promoter Group, have extensive experience in the financial services industry. We also operate our business under the aegis of brand 'ANANDRATHI', a brand used by multiple entities in the Anand Rathi Group, which is owned by, and is currently in the process of registration in favour of, ARFSL. This trademark is licensed to us through a license agreement dated April 1, 2018, which will be continue to have effect unless mutually terminated by ARFSL and our Company. They have been crucial to the growth of our business and we are highly dependent on them to manage our current operations and to meet future business challenges. In particular, the active involvement of certain of our Promoters and members of our Promoter Group in our operations, including through strategy, direction and client relationships have been integral to our development and business. The loss of these individuals would have a material adverse effect on our operations. We cannot assure you that their services will continue to be available to us, or that we will be able to find a suitable replacement if required. For further details on the risks in relation to usage of the 'ANANDRATHI' logo, refer to '-Our results are also dependent on the strength and reputation of the brand 'ANANDRATHI', as well as the reputation of other entities forming part of the Anand Rathi Group.' on page 22 of this Draft Red Herring Prospectus.

19. ***We have entered into related party transactions. We will continue to enter into such transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have entered into transactions with several related parties which were conducted in compliance with applicable laws. For example, Anand Rathi Global Finance Limited ("ARGFL"), one of our Group Companies, is in the business of non-banking financial services. As a part of its business activities, it issues financial products (non-convertible debentures / structured products). We buy these products from ARGFL which are then sold to certain of our clients. As a result, any adverse impact on the business of ARGFL may constrain our revenue stream from this business line. While we believe that such transactions are executed on an arm's length basis, we cannot assure you that the respective regulatory authorities will concur with our views or will not seek adjustments to our income from taxation purposes.

It is likely that we will enter into related party transactions in the future and there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Furthermore, if any relevant regulatory authority disagrees with our views of such related party transactions, we may be required to expend senior management time to defend our positions on such matters and may have to face additional pay-outs and penalties. For more information regarding our related party transactions, see "Related Party Transactions" page 206 of this Draft Red Herring Prospectus.

20. ***We are highly dependent on Anand Rathi IT Private Limited for the development, and maintenance, of the information technology that we use for our business.***

We are highly dependent on Anand Rathi IT Private Limited for the development, and maintenance, of the information technology that we use for our digital wealth management services as well as our OFA platforms. We have also entered into agreements with Applied Software Private Limited and Netmagic Solutions Private Limited for PMS application, mail server and co-location of server. If they fail to perform their contractual or other obligations satisfactorily, we may be unable to successfully carry out our operations or we may be required to make additional investments, which could result in reduced profits or, in some cases, losses. Our clients and partners may face difficulties in their operations, in accessing their

accounts or their clients accounts, due to a variety of circumstances. Any of the foregoing could have an adverse effect on our business, results of operations, financial condition and reputation.

21. ***The statutory auditor of our Promoter Selling Shareholder have included certain qualifications, emphasis of matters and remarks in relation to the audited financial statements for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016.***

For the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016, the statutory auditor of our Promoter Selling Shareholder have included certain qualifications, emphasis of matters and remarks in the audit reports.

For details, see “*Our Promoters and Promoter Group*” on page 186 of this Draft Red Herring Prospectus. There can be no assurance that similar matters will not form part of financial statements of the Promoter Selling Shareholder, or that any such matters will not affect its financial condition and results of operations in the future, or result in any regulatory action against our Promoter Selling Shareholder or penalties being imposed on our Promoter Selling Shareholder. Any such remarks in the auditors’ report in the financial statements of our Promoter Selling Shareholder in the future may also adversely affect the trading price of the Equity Shares.

22. ***We may be unable to detect and deter misconduct of our employees or other third party service providers which could harm our brand and our reputation, or lead to regulatory fines or litigation against us.***

We are vulnerable to reputational harm because we operate in an industry in which personal relationships, integrity and the confidence of our clients are of critical importance. Our employees and other third parties whom we deal with could engage in misconduct that may adversely affect our business. For example, if an employee were to engage in illegal or suspicious activities, we could be subject to regulatory fines and suffer serious harm to our reputation (because of the negative perception resulting in such activities), financial position, client relationships and ability to attract new clients. While we have internal processes to detect, prevent and monitor our employees, agents, distributors and other third parties and have not faced such a situation so far, we may not be successful in our endeavours. Such misconduct could include, engaging in mis-selling, misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products, binding us to transactions, hiding unauthorised or unsuccessful activities, such as insider trading, improperly using or disclosing confidential information, making illegal or improper payments, falsifying documents or data, recommending products, services or transactions that are not suitable for our clients; misappropriation of funds, engaging in unauthorised or excessive transactions detrimental to our clients or not complying with applicable laws or our internal policies and procedures.

Our business often requires that we deal with confidential information. If our employees were to improperly use or disclose this information, even if inadvertently, we could be subject to legal action and suffer serious harm to our reputation, financial position and current and future business relationships. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent such activities may not always be effective. Misconduct by our employees, or even unsubstantiated allegations of misconduct, could result in an adverse effect on our reputation and our business. While we have implemented specific initiatives to reduce the likelihood of such situations occurring in future, including enhanced due diligence measures for high-risk cases and additional verification measures during the client on-boarding process, there can be no assurance that we will not be subjected to fraudulent claims in the future. We may be also subjected to fraudulent behaviour and disclosures by client and third parties in respect of other areas of operations, including money laundering and forgery, which may negatively impact our ability to comply with applicable regulations, which could result in us being subjected to regulatory action, and have an adverse impact on our results of operations, profitability and reputation.

23. ***Recommendations, suggestions and advice provided by IFAs to clients using our OFA platform are beyond our control and any resultant adverse impact could have an adverse impact on our reputation, business and results of operations.***

Our OFA business provides a tech-platform to independent financial advisors to facilitate their operations and interactions with clients. However, the recommendations, suggestions and advice made by these independent financial advisors to their clients are beyond our control. Any adverse impact to their clients may result in an adverse impact on our reputation. Further, any illegal or fraudulent activity on the part of

the independent financial advisors may implicate us and may cause reputational damage which may adversely impact our business and results of operations.

24. ***Our robo-advisory algorithms may not be able to suggest the schemes which would be the most appropriate investment for our clients.***

We help clients finalise their long term wealth goals and once the goals are set, we provide investment options by creating a customised financial strategy for the clients. In our DWM business, 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. While, the portfolio is periodically monitored, we cannot assure you that our algorithms used in our DWM business vertical will suggest such schemes which turn out to be the most appropriate investment decision for our clients. As a result, if any of our clients suffer losses or do not achieve their anticipated returns on such investments, they may not continue to make further investments through us which may have an adverse impact on our business and results of operations.

25. ***Our derivative portfolio and our hedging activity are exposed to risks arising on account of market volatility.***

We deal in long dated index options traded on stock exchanges. We hedge the risk on these options by using the index futures, which are also traded on stock exchanges. Our positions in such derivative instruments are on the basis of various market parameters such as interest rates, dividend yield, market volatility, etc. Such derivative positions also requires maintenance of margin money with our broker, Anand Rathi Shares and Stock Brokers Limited ("ARSSBL"), one of our Group Companies. The requirement of margin money is to maintain changes on the basis of the volume of derivative instruments as well as any variations in the market parameters. Any losses incurred by us in any of the derivatives in our portfolio could place the capital invested by us at risk, thereby adversely affecting our business, financial condition and results of operations.

26. ***We propose to utilize a portion of the Net Proceeds to purchase office premises, for which the premises has not been identified.***

We intend to use ₹ 750.00 million from the Net Proceeds towards purchase and furnishing of office premises. However, as on the date of this Draft Red Herring Prospectus, we have not entered into any definitive sale agreement in order to purchase the office premises or place any firm orders with respect to furnishing of the office premises. We have appointed Eksitic Advisory as agency to estimate acquisition cost for 20,000 square feet carpet area for office operations in and around Lower Parel, Mumbai, Maharashtra. Accordingly, Eksitic Advisory have submitted their assessment of the market prices to us by way of their report, dated September, 2018. However, the cost of purchasing and furnishing such premises may vary, based on the actual identified premises. As a consequence of any increased costs, actual deployment of funds may be higher than estimates, which may cause additional burden on our finances.

27. ***Differences exist between Ind-AS/Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition. Additionally, the financial measures and statistical information in the Restated Financial Information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

Our Restated Financial Information included in the Draft Red Herring Prospectus are prepared under Ind-AS/ Indian GAAP and presented in conformity with compliance to the Companies Act and restated under the SEBI ICDR Regulations, consistently applied during the periods stated, except as provided therein, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to U.S. GAAP or IFRS or any other principles or to base it on any other standards. Ind-AS/Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS. Additionally, the financial measures and statistical information in the Restated Financial Information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Ind-AS/Indian GAAP, the Companies Act, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind-AS/Indian GAAP, or these laws and regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. All consideration of financial, and other, information with regard to an investor's decision whether or not to invest in this Offer should be made on the basis of the Restated Financial Information. For risks in relation to the non-comparability of the Restated Financial Information between financial periods, please refer to the risk factor, "*The Restated Financial Information included in this Draft Red Herring Prospectus are not comparable between financial periods, may not fully reflect the effects of certain strategic transactions undertaken by us and may not provide a reliable indication of our future financial performance.*" above on page 20 of this Draft Red Herring Prospectus.

28. ***Failure or disruption of our IT systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various information technology ("IT") solutions to cover key areas of our operations and accounting.

These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. An IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to maintain our business operations depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems).

Our DWM business, uses technology to interact with clients via online/mobile based services delivered by our employees and client engagement partners. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently. In addition, it is possible that a malfunction of our data system security measures could enable unauthorised persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our clients. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

29. ***Security breaches of clients' confidential information that we store may harm our reputation and expose us to liability.***

We store clients' bank information, credit information and other sensitive data. While we have measures and systems in place to protect clients' confidential data, any accidental or wilful security breach or other unauthorised access could cause the theft and criminal use of this data. Security breach or unauthorised access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorised access to client data, our relationships with clients will be severely damaged, and we could incur significant liability and reputational damage. Further, we engage with certain third party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws.

Because techniques used to obtain unauthorised access or to sabotage systems change frequently and generally are not recognised until they are launched against a target, we and our third party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause clients to lose confidence in the effectiveness of our data security measures.

The Information Technology Act, 2000, as amended, read with rules and regulations thereunder requires us to maintain confidentiality of sensitive personal data or information. Our inability to comply with the aforesaid statute can lead to monetary penalties as well as regulatory actions. Further, the Draft Personal Data Protection Bill, 2018, which is proposed draft of data protection law in India, if enacted, will subject us to a higher threshold for storage, processing and protection of personal data as well as greater liabilities for breach of our obligations.

Any security breach, whether actual or perceived, would harm our reputation, and result in loss of clients, which could in turn have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

30. ***We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may have a material adverse effect on our operations.***

We require certain approvals, licences, registrations and permissions for operating our business, some of which may have expired and for which we may have either made, or are in the process of making, an application for obtaining the approval for its renewal. While we have procured all material approvals for our operations, we are in the process of renewing/procuring certain approvals and licenses. If we are unable to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which may be onerous and require us to make substantial compliance-related expenditure. If we are unable to comply or a regulator claims that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected. For details see "*Government and Other Approvals*" on page 369 of this Draft Red Herring Prospectus.

31. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to "*Regulations and Policies*" on page 158 of this Draft Red Herring Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government of India will not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. For example, SEBI has approved at a board meeting dated September 18, 2018, amongst others, the proposal of lowering the cost for mutual fund investors by revision of AUM slab-wise limits of total expense ratio of mutual fund schemes and modification of the distribution model. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. For example, the GAAR have come into effect from April 1, 2017. The tax consequences of the

GAAR provisions being applied to an arrangement could result in denial of tax benefits, amongst other consequences. Further, changes in capital gains tax or tax on capital market transactions or sale of securities could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

Further, the Government of India has implemented a comprehensive national goods and services tax ("GST") regime that combines taxes and levies by the central and state governments into a largely unified rate structure. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

32. ***We cannot ensure that our intellectual property is protected from being copied or used by others, including our competitors, and intellectual property infringement actions may be brought against us, which could have a material adverse effect on our business.***

We use, among others, the name, brand and trademark 'ANANDRATHI' and associated logos in the ordinary course of our business and in our corporate name. The trademark and tagline of "wealth management, uncomplicated" are not registered, nor have they been applied for. The trademark 'ANANDRATHI' is owned by, and is currently in the process of registration in favour of ARFSL. This trademark is licensed to us through a license agreement dated April 1, 2018, which will be continue to have effect unless mutually terminated by ARFSL and our Company. In the event of termination of this agreement, we would be required to change our name and brand, which could require us to expend significant resources to establish new branding and name recognition in the market, which could materially and adversely affect our reputation, business, operations, financial condition and results of operations.

As of the date of this Draft Red Herring Prospectus, except for two trademarks, being, OFA and FIINFRA logos, we do not have any other registered intellectual property rights, which may impact our ability to protect our intellectual property. We may be unable to detect the unauthorised use of, or take appropriate steps to enforce, our intellectual property rights. Failure to protect our intellectual property and trademarks adequately could harm our reputation and affect our ability to compete effectively. Further, defending our intellectual property rights may require significant financial and managerial resources, the expenditure of which may materially adversely affect its business, financial condition and results of operations. Further, we cannot assure you that such attempt to establish our brand will be successful or that ARFSL will not leverage the brand recognition created by us for 'ANANDRATHI' brand to itself enter into the wealth management business.

We may also be subject to claims that we have breached our licensed use of software or otherwise infringed on the intellectual property of third parties, including infringement by service providers who use such licences to provide services to us. Any of the above matters could have a material adverse effect on our business, results of operations, financial performance and the trading price of our Equity Shares.

33. ***If we are unable to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to manage our operations, prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

34. ***Majority of our immovable properties, including our Corporate Office and our Registered Office, are leased. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

We have taken on lease certain immovable properties including our Corporate Office and Registered Office, pursuant to long term leases. If we are unable to renew certain or all of these leases on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future. In addition, the terms of certain of our leases require us to obtain the lessor's

prior consent for certain actions, which may not be available. Any failure to renew our leases or to find alternative property may have an adverse impact on our operations and profitability. One of the objects of the Offer includes expenditure towards a new office. In the event that we decide to terminate any of our current lease deeds, we may be liable to pre-mature termination charges.

35. ***Our Promoters and Promoter Group will continue to have significant shareholding in us after the Offer, which will allow them to exercise significant influence over us.***

After the completion of the Offer, our Promoters and Promoter Group will have significant shareholding in our Company. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters and Promoter Group. Further, the Takeover Regulations may limit the ability of a third party to acquire control of our Company. The interests of our Promoters, as our Company's controlling shareholder, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters will act to resolve any conflicts of interest in our Company's or in your favour.

36. ***Certain of our Promoters, Directors and Key Management Personnel may be interested in our Company other than remuneration and reimbursement of expenses.***

Certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and stock options in our Company and benefits arising therefrom. Our Promoters are also interested in our Company to the extent of their shareholding in our Company. Our Promoters and certain of our Key Management Personnel may also be deemed to be interested to the extent of their shareholding in our Group Companies on account of related party transactions entered into by our Company with such Group Companies. There can be no assurance that our Promoters and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner. For details, see “*Our Promoters and Promoter Group*”, “*Our Management*” and “*Related Party Transactions*” on pages 186, 169 and 206, respectively, of this Draft Red Herring Prospectus.

37. ***We may not be able to fully comply with anti-money-laundering, insider trading and anti-terrorism rules and regulations, which could result in criminal and regulatory fines and severe reputational damage.***

Although we have implemented comprehensive anti-money laundering (“AML”), “know your customer” (“KYC”) and insider trading policies and procedures and seek to adhere to all requirements under Indian law, there can be no assurances that these policies and procedures will be completely effective. If, in the future, we are unable to comply with reporting requirements or other AML, KYC or insider trading regulations, or are associated with money laundering or terrorist financing, our reputation, ability to continue our business, financial condition, results of operations or prospects could be adversely affected. In addition, involvement in such activities may carry criminal or regulatory fines and sanctions.

38. ***Some of our corporate or secretarial records may not be traceable and some of our corporate records contain discrepancies.***

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

For instance, our Company is currently not in possession of certain of its secretarial records and filings for and including in relation to certain transfer of equity shares of face value of ₹ 10 each and appointment of our Directors. Accordingly, some of the information included in the section “*Capital Structure*” and “*Our Management*” on pages 81 and 169 of this Draft Red Herring Prospectus is based on other documentation

available with our Company, including annual returns and alternate secretarial records and filings. While we believe that these secretarial records and filings were prepared and submitted to the relevant regulatory authority by our Company, wherever applicable, we cannot assure you that we will be able to locate these secretarial records and filings in the future. Accordingly, while we have obtained a practicing company secretary certificate for certain of these secretarial records and filings, we cannot assure you that our Company will not be subject to any action, including monetary penalties by the relevant regulatory authority on account of any inadvertent discrepancies in, or non-availability of, any of its secretarial records and filings, which may adversely affect our reputation and results of operations.

39. ***Our Promoters and members of our Promoter Group are involved with ventures that may lead to real or potential conflicts of interest with our business.***

Our Promoters and members of our Promoter Group are involved in ventures that may potentially compete with our Company. The interests of our Promoters may conflict with the interests of our other Shareholders and our Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may impact our business, financial condition and results of operations.

40. ***We have experienced negative cash flows in prior periods and any negative cash flows in the future could adversely affect our financial condition and the trading price of our Equity Shares.***

We experienced negative cash flows in certain prior periods. Our cash flows for the preceding five Fiscals are set out below:

| Particulars (in ₹ million) | 2018 (consolidated) | 2017 (consolidated) |
|--|----------------------------|----------------------------|
| Net cash flow from operating activities | 929.13 | (31.62) |
| Net cash from investing activities | (872.33) | (266.50) |
| Net cash from financing activities | (77.64) | 319.20 |
| Net increase / (decrease) in cash and cash equivalents | (20.84) | 21.08 |

| Particulars (in ₹ million) | 2016 (standalone proforma) | 2015 (standalone) | 2014 (standalone) |
|--|-----------------------------------|--------------------------|--------------------------|
| Net cash flow from operating activities | 2.72 | (13.68) | (6.87) |
| Net cash from investing activities | 2.46 | 11.79 | 7.76 |
| Net cash from financing activities | (0.03) | - | - |
| Net increase / (decrease) in cash and cash equivalents | 5.15 | (1.89) | 0.89 |

Any negative cash flows in the future could adversely affect our financial condition and the trading price of the Equity Shares.

41. ***Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors and will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. For further details, see "Dividend Policy" on page 205 of this Draft Red Herring Prospectus.

42. ***Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.***

Our operations are subject to various risks inherent in the financial sector, as well as fire, theft, data crash, hacking, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance for a small portion of our assets including with respect to our private four wheeler vehicles, fire and special perils in India through third-party insurers. We do not have any keyman insurance policy in place, and are not insured against business interruption, consequential damages, environmental damages, terrorist acts and war-related events. None of our insurance policies are assigned in favour of any third-party. We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our results of operations, financial condition and cash flows. There can be no assurance that the insurance availed by us or risks covered under such insurance policies are adequate or any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

43. *Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.*

We have in the preceding one year prior to filing this Draft Red Herring Prospectus, issued Equity Shares pursuant to the ESOP 2017 at price of ₹10 per Equity Share, which may be less than than the Offer Price. For further details, please see "*Capital Structure*" on page 81 of this Draft Red Herring Prospectus. The price at which the Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded. Further, going forward, our Company may continue to issue Equity Shares, including under the ESOP Scheme(s), at prices that may be lower than the Offer Price.

44. *This Draft Red Herring Prospectus contains information from an industry report, which we have commissioned from CARE Advisory.*

Certain information in the sections entitled "*Summary of our Business*", "*Summary of Industry*", "*Our Business*" "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 51, 45, 142, 116 and 331 of this Draft Red Herring Prospectus includes information that is derived from the CARE Advisory Research. We commissioned this report for the purpose of confirming our understanding of the industry in connection with the Offer. Neither we, the Promoter Selling Shareholder, any of the BRLMs including, their associates or affiliates, nor any other person connected with the Offer has verified the information in the CARE Advisory Research. CARE Advisory has advised that while it has taken due care and caution in preparing the report based on information obtained from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CARE Advisory Research or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CARE Advisory Research or the data therein. The CARE Advisory Research highlights certain industry and market data relating to our Company and our competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CARE Advisory's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the CARE Advisory Research is not a recommendation to invest or disinvest in our Company or any company covered in the CARE Advisory Research. CARE Advisory has stated that it is not responsible for any loss or damage arising from the use of the CARE Advisory Research. Prospective investors are advised not to unduly rely on the CARE Advisory Research when making their investment decision.

We have not independently verified data obtained from official and industry publications and other sources referred to in this Draft Red Herring Prospectus and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications we have referenced. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate are subject to the caveat that the third-party and statistical data upon which such discussions are based may be incomplete or unreliable. Please see the section entitled "*Industry Overview*" on page 116 of this Draft Red Herring Prospectus.

45. ***Certain of our Group Companies have incurred losses in preceding fiscal years and may incur losses in the future.***

Certain of our Group Companies, namely, ARHFL, ARIVPL and ARCL, incurred losses as per the last available audited financial statements. There can be no assurance that our Group Companies will not incur losses in the future. For further details of our loss making Group Companies, see “*Our Group Companies—Loss making Group Companies*” on page 198 of this Draft Red Herring Prospectus.

46. ***We, as well as our Promoter, ARFSL, and certain of our Group Companies and associates, have, from time to time, availed unsecured or other credit facilities that are repayable on demand. Any unexpected demand for repayment may adversely affect our liquidity, business, financial condition, results of operations and prospects.***

We, as well as our Promoter, ARFSL, and certain of our Group Companies and associates, have, from time to time, availed unsecured or other credit facilities that are repayable on demand by lenders. In the event that the respective lenders call in any such credit facilities, alternative sources of financing may not be available to any of us on commercially reasonable terms, to the same extent, or at all. Any failure to service such indebtedness or comply with any obligations under such financing agreements may cause us to incur penalty interest or may result in the termination of one or more of our credit facilities or acceleration or cross-acceleration of payments under such credit facilities, as well as the declaration of an event of default or cross-default. Any such unexpected demand for repayment may adversely affect our liquidity, business, financial condition, results of operations and prospects.

47. ***We will not receive any proceeds from the Offer for Sale portion and our Company’s management will have flexibility in utilising the Net Proceeds of the Fresh Issue.***

This Offer includes an Offer for Sale of up to ₹ 3,000 million by the Promoter Selling Shareholder. The proceeds, net of the Offer expenses borne by the Promoter Selling Shareholder, from the Offer for Sale will be paid to the Promoter Selling Shareholder and our Company will not receive any such proceeds. For further details, see, “*Objects of the Offer*” on page 99 of this Draft Red Herring Prospectus.

We intend to use the Net Proceeds of the Fresh Issue as described in “*Objects of the Offer*” on page 99 of this Draft Red Herring Prospectus. Further, our management will have broad discretion to use the Net Proceeds of the Fresh Issue, and investors will be relying on the judgment of our Company’s management regarding the application of the Net Proceeds of the Fresh Issue.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the Objects, in accordance with the Articles of Association of our Company and as may otherwise be prescribed by the SEBI.

External Risk Factors

48. ***Our operations are dependent on the performance of the Indian economy and securities market.***

The growth in our business has been directly related to the growth in the Indian economy, specifically the growing GDP and growing household savings. There have been periods of slowdown in the economic growth of India or periods where inflation was high. Such economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall, which affects agricultural production. Any slowdown or reversal in the growth of the Indian economy could result in a reduction in wealth in the Indian economy that can be diverted to savings and investment, a reduced interest in investment in the securities market and reduced foreign investment. Any such reductions could result in a reduction in our AuA and /or the commissions we can charge for our services.

Additionally, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any adverse revisions to India's sovereign debt ratings may also adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business, prospects, financial condition and results of operations and our ability to obtain refinancing, as well as the trading price of the Equity Shares.

49. ***Difficult conditions in the global capital markets and the economy generally have affected and may continue to affect our business, prospects, financial condition and results of operations.***

The Indian economy may be affected by changes in Government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. In the past, economic developments outside India have adversely affected the markets in which we operate and our overall business. For instance, recent concerns relating to the U.S. Federal Reserve's decision to raise interest rates in the United States have led to increased volatility, particularly in the stock and currency markets in emerging economies. In addition, on June 23, 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave ("**Brexit**"). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. In addition, China is one of India's major trading partners, and there are rising concerns of a possible slowdown in the Chinese economy. Furthermore, the sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets.

If there is a tightening of credit in financial markets globally, this could also affect the Indian market and debt could become significantly more expensive for us. We may not be able to arrange for debt financing for our capital requirements at all or debt financing which is available to us may not be on commercially acceptable terms; as a result, we may have to restrict our business operations. Any economic downturn could affect the overall sentiment of the market and our business. We are unable to predict the likely duration and severity of any future disruption in financial markets and adverse economic conditions in India, the United States and other countries, which may cause material adverse impact to our business and operating results.

50. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, results of operations and the price of our Equity Shares.

The global credit markets including debt markets and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, the exit of the United Kingdom from the European Union, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include fall in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, there are rising concerns of a possible slowdown in the Chinese economy, and China is one of India's major trading partners. Such factors might also result in a slowdown in India's export growth momentum.

Any significant financial disruption in the future could have an adverse effect on our cost of funding, AuA, business, future financial performance and the trading price of the Equity Shares.

51. ***Political, economic and social developments in India could adversely affect our business.***

Our current operations are conducted primarily in India and are subject to special considerations and significant risks typical for India. These include risks associated with, among others, the political, economic and legal environments and foreign currency exchange rate fluctuations.

Our results may be adversely affected by changes in the political and social conditions in India, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things. Volatility in social and political conditions in India may interrupt, limit or otherwise affect our operations. We continue to experience sporadic disruptions and disturbances at our branches located in certain states in India which tend to be more prone to protests or union activity involving persons other than our employees. Additionally, we cannot ensure that our employees may not join such unions in future. This could have an adverse effect on our business and results of operations in those states.

The central and state governments serve multiple roles in the Indian economy, including as producers, consumers and regulators, which have significant influence on the financial services sector and us. Economic liberalisation policies have encouraged foreign investment in the financial sector, and changes in these governmental policies could have a significant impact on the business and economic conditions in India in general and the financial sector in particular, which in turn could adversely affect our business, future financial condition and results of operations. In addition, any military activity, terrorist attacks or other adverse social, economic and political events could adversely impact our business prospects. The occurrence of any of these events may result in a loss of investor confidence, which could potentially lead to economic recession and generally have an adverse effect on our business, results of operations and financial condition. Our insurance policies do not cover loss of business from terrorist attacks, war or civil unrest. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

52. ***High levels of inflation in the Indian economy may shift the trend of savings and investments adversely.***

India has experienced some of the highest levels of inflation measured by consumer price index of any of the 34 member states of the Organisation for Economic Cooperation and Development (“OECD”), during the period from 2012 through 2014, according to the OECD. The inflation rate in India was 5.09% (provisional) for the month of July, 2018 (over July, 2017) as compared to 5.77% (provisional) for the previous month and 1.88% during the corresponding month of the previous year. (*Source: Index Numbers of Wholesale Price in India, Review for the month of July, 2018, published on August 14, 2018 by Government of India, Ministry of Commerce & Industry*). Although the Government has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect. A rise in inflation rates may adversely affect saving or investment patterns of clients, potentially affecting growth in the Indian economy and our results of operations.

53. ***Public companies in India, including our Company, are required to compute income tax under the ICDS. The transition to ICDS in India is very recent and we may be negatively affected by such transition.***

The Ministry of Finance had issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. The ICDS were to take effect from April 1, 2015. However, in view of the representations from stakeholders, the Central Board of Direct Taxes, Ministry of Finance, according to its press release dated July 6, 2016, has deferred the applicability of ICDS to Fiscal 2017 onwards. This will have an impact on computation of taxable income for Fiscal 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind-AS. For example, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind-AS-based concepts, the ICDS-based calculations may have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operation and financial condition.

54. ***Our business and activities are regulated by the Competition Act, 2002.***

The Competition Act, 2002, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (“**CCI**”). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for the implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, any agreement entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

55. ***A slowdown in economic growth in India could cause our business to suffer. We are also subject to regulatory, economic, social and political uncertainties in India.***

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- slowdown in GDP growth;
- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries;
- occurrence of natural or man-made disasters;
- discontinuance of internet services; and
- other significant regulatory or economic developments in or affecting India.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

56. ***Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in

a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares.

Some states in India have also witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India may have a negative impact on us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares.

57. *Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

58. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares.

59. *The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.*

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. We cannot assure you that a liquid market for our Equity Shares will develop or that you will be able to sell your Equity Shares at or above the Offer Price or sell your Equity Shares at all.

60. *The determination of the Price Band is subject to various factors and assumptions and the Offer Price may not be indicative of the trading price of the Equity Shares, upon listing on the Stock Exchanges subsequent to the Offer. Further, the current trading price of equity shares listed pursuant to certain past issues handled by the BRLMs is below their respective issue price.*

The determination of the Price Band is based on various factors and assumptions, and was determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs. Further, the Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholder in

consultation with the BRLMs through the Book Building Process. This price is based on certain factors, as described under “*Basis for Offer Price*” on page 110 of this Draft Red Herring Prospectus and may not be indicative of the trading price of the Equity Shares, upon listing on the Stock Exchanges subsequent to the Offer. The trading price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure that you will be able to resell the Equity Shares at or above the Offer Price. In addition to the above, the current trading price of equity shares listed pursuant to certain past issues handled by the BRLMs is below their respective issue price. For further details regarding the track record of the public issues handled by the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see section “*Other Regulatory and Statutory Disclosures*” on page 371 of this Draft Red Herring Prospectus.

61. ***Any future issuance of Equity Shares may dilute your shareholding and earnings per share for future periods and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

Our Company has framed and implemented two employee stock option schemes, ESOP 2017 and ESOP 2018 (together, the “**ESOP Schemes**”). As on the date of this Draft Red Herring Prospectus, we have 256,000 outstanding stock options under the ESOP Schemes. Any future equity issuances by us, including a primary offering and under the ESOP Schemes, may lead to the dilution of investors' shareholdings in our Company. It may also lead to dilution in earnings per share for future periods. Any future equity issuances by us or sales of our Equity Shares by our Promoter may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising debt-financing. In addition, any perception by investors that such issuances or sales might occur may also affect the trading price of our Equity Shares.

62. ***It may not be possible for you to enforce a judgment obtained outside India against our Company or any of our Directors and executive officers that are resident in India, except by way of a suit in India on such judgment.***

We are incorporated under the laws of India and our Directors and executive officers reside in India. Furthermore, substantially all of our assets are located in India. As a result, you may be unable to effect service of process in jurisdictions outside India upon our Company or such persons, or enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended, (the “**Civil Code**”).

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

The party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice and public policy. It is uncertain whether an Indian Court would enforce foreign judgement that would contravene or violate Indian law. In addition, any

person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered and may be subject to tax in accordance with applicable tax laws in India.

63. *Investors may be subject to Indian taxes arising out of capital gains on the transfer of the Equity Shares.*

Investors may be subject to Indian taxes arising out of capital gains on the transfer of the Equity Shares. Any gain realised on the transfer of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax in India even if Securities Transaction tax (“STT”) has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are transferred. STT is payable on acquisition or transfer of Equity Shares. Any gain realised on the transfer of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, is subject to long-term capital gains tax in India. Further, any gain realised on the transfer of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India.

Subject to any relief available under an applicable tax treaty or under the laws of their own jurisdictions, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a transfer of our Equity Shares as Indian tax treaties do not limit India’s ability to impose capital gains tax on transfer of Equity Shares.

64. *Foreign investors are subject to foreign investment restrictions under Indian law, which may adversely affect the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

65. *Our ability to raise foreign capital may be constrained by Indian law.*

As a company registered in India, we are subject to foreign exchange control law that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

66. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

67. *Our Equity Shares are denominated, and once listed will be traded, in Indian Rupees. Erosion in the value of the Indian Rupee may have an adverse effect on the value of our Equity Shares, independent of our operating results and could result in a loss of your investment.*

Our Equity Shares are denominated, and once listed will be traded, in Indian Rupees. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies or erosion in the value of the Indian Rupee may have an adverse effect on the value of our Equity Shares, independent of our operating results and could result in a loss of your investment. Further, any dividends on our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors.

68. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

69. ***We are not able to guarantee the accuracy of third party information.***

Market data and certain information and statistics relating to us and general market/industry data are derived from both public and private sources, including market research, publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us and the BRLMs, and, therefore, we make no representation as to the accuracy, adequacy or completeness of such facts and statistics. Due to possibly flawed or ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. Further, there can be no assurance that the facts and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

Prominent Notes:

1. Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ 4,250 million comprising of a Fresh Issue of up to [●] Equity Shares by our Company aggregating up to ₹ 1,250 million and an Offer for Sale of up to [●] Equity Shares by the Promoter Selling Shareholder aggregating up to ₹ 3,000 million pursuant to its board resolution dated July 10, 2018. The Offer shall constitute up to [●]% of the fully diluted post-Offer paid-up Equity Share capital of our Company.
2. Our Company was converted to a public limited company under the name of 'AR Venture Funds Management Limited' pursuant to the Shareholders' resolution dated March 22, 2017 and we received a fresh certificate of incorporation pursuant to change of name dated April 3, 2017 from the ROC. Subsequently, our Company's name was changed to "Anand Rathi Wealth Services Limited" pursuant to the Shareholders' resolution dated June 20, 2017 in order to reflect the true objective of the wealth management business and we received a fresh certificate of incorporation on July 6, 2017 under the name of "Anand Rathi Wealth Services Limited". The objects clause of the memorandum was not altered pursuant to the above mentioned changes in the name of our Company. For further details, please see "*History and Certain Corporate Matters – Changes to the name of our Company*" on page 162 of this Draft Red Herring Prospectus.
3. As at March 31, 2018, our Company's Net Worth, was ₹ 783.66 million, as per our Restated Consolidated Financial Information, and ₹ 897.96 million, as per our Restated Standalone Financial Information.
4. As at March 31, 2018, our Company's net asset value and book value per Equity Share of face value ₹ 10 each was ₹ 58.30 as per our Restated Consolidated Financial Information and ₹ 66.80 as per our Restated Standalone Financial Information.
5. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| Name of the Promoter | Number of Equity Shares held as on the date of this Draft Red Herring Prospectus | Average price per Equity Share (in ₹) |
|----------------------|--|---------------------------------------|
| Mr. Anand Rathi | 3,658,260 | 5 |
| Mr. Pradeep Gupta | 1,510,508 | 5 |
| ARFSL | 12,069,082 | Nil |

6. For details in relation to interests of Group Companies in our Company, including business interests please see “*Our Group Companies – Nature and extent of interest of our Group Companies*” and “*Related Party Transactions*” on pages 200 and 206 of this Draft Red Herring Prospectus, respectively.
7. For details of the related party transactions with related parties (as defined under Accounting Standard 18/Ind-AS 24), please see “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus.
8. There have been no financing arrangements whereby the Promoter Group, the Directors and their relatives have financed the purchase of our Equity Shares by any other person other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
9. Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI, for any complaints, information or clarifications pertaining to the Offer.

SECTION III: - INTRODUCTION

SUMMARY OF INDUSTRY

A. Indian Economy Overview

1. Economic Outlook

- *Real GDP Growth (%)*:

| Country and Groups | 2016 | 2017 | 2018 | 2019 |
|---|-------|----------|-------------|-------------|
| | | Estimate | Projections | Projections |
| World Output | 3.2 | 3.7 | 3.9 | 3.9 |
| Advanced economies | 1.7 | 2.4 | 2.4 | 2.2 |
| Emerging Market and Developing Economies** | 4.4 | 4.7 | 4.9 | 5.1 |
| Emerging and Developing Asia | 6.5 | 6.5 | 6.5 | 6.5 |
| China | 6.7 | 6.9 | 6.6 | 6.4 |
| India | 7.1 | 6.7 | 7.3 | 7.5 |
| ASEAN-5* | 4.9 | 5.3 | 5.3 | 5.3 |
| Emerging and Developing Europe | 3.2 | 5.9 | 4.3 | 3.6 |
| Latin America and the Caribbean | (0.6) | 1.3 | 1.6 | 2.6 |
| Middle East, North Africa** | 5.0 | 2.2 | 3.5 | 3.9 |
| Sub-Sahara Africa | 1.5 | 2.8 | 3.4 | 3.8 |
| Low-Income Developing Countries | 3.5 | 4.7 | 5.0 | 5.3 |

(Source – CARE Advisory Research)

*Thailand, Singapore, Vietnam, Indonesia, Malaysia

**Includes Commonwealth of Independent States, Emerging and Developing Asia, Emerging and Developing Europe, Latin America and the Caribbean, Middle East, North Africa, Sub-Sahara Africa

As per International Monetary Fund (“IMF”) in July 2018; global output is estimated to have grown by 3.7% in 2017 with pickup in growth observed across regions with notable surprise from Europe and Asia. Economic growth of India is projected to strengthen to above 7%, gradually recovering from the short-term adverse impact of Goods and Services Tax (“GST”) and demonetisation. In the longer run, the GST will boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Recent measures to digitise the economy and improve tax compliance should boost tax revenue in the medium term. They are accompanied by an increase in public pensions and wages, as well as debt write-offs in some states, resulting in a broadly neutral fiscal stance over the projection period. Given the high public debt-to-GDP ratio, increasing social infrastructure, such as health and education, will require raising more property and income tax revenue. Non-performing loans have increased, largely reflecting recognition efforts, and are particularly high in public banks. Reserve Bank of India (“RBI”) has taken to clean up banks' balance sheets, giving creditors more control over the stressed entities. External debt remains low and foreign exchange reserves have increased, leading to decreasing exposures to global factors. As per IMF, Indian economy is projected to grow by 7.3% in 2018 and 7.5% in 2019, making it one of the fastest growing economies in the world compared to China which is expected to achieve 6.6% in 2018 and 6.4% in 2019. Global growth in 2018 and 2019 is forecasted at 3.9% for both the years, while growth rate for emerging market and developing economies is estimated to rise up from 4.7% in 2017 to 4.9% in 2018 and 5.1% 2019. Advanced economies are projected to gradually grow at stable rates of about 2.4%, reflecting supportive financial conditions, strong business and consumer confidence and investment response to the corporate income tax cuts.

B. Indian Wealth Management Industry Overview

The Indian Wealth Management market is on a sustained path of growth, given India’s long-term economic prospects, positive demographics, rising income levels and current low penetration. India has the key ingredients of a high-growth wealth management market, namely driven by a very large and young mass affluent segment; an increase in the wealth of global Indians; the Indian government’s push to control illegal channel of funds and more tightly to regulate the capital markets.

Number of millionaires in 2017 and 2022 (Selected countries)

| Country | Number (thousand) | | Change (%) |
|----------------|-------------------|---------------|------------|
| | 2017 | 2022 | |
| United States | 15,356 | 17,784 | 16% |
| Japan | 2,693 | 3,821 | 42% |
| United Kingdom | 2,189 | 2,126 | -3% |
| Germany | 1,959 | 2,240 | 14% |
| China | 1,953 | 2,748 | 41% |
| India | 245 | 372 | 52% |
| World | 36,051 | 43,948 | 22% |

(Source - CARE Advisory Research)

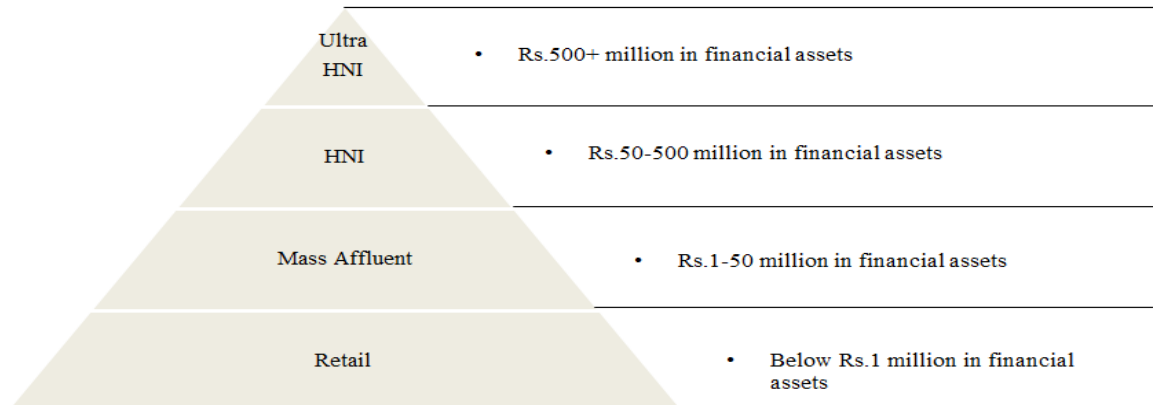
There is steady growth in client's interest towards:

- 1) Mutual Fund / Other financial Product Distribution
- 2) Financial Planning (specific short term and long term goals) Advice
- 3) Tax Planning Advice
- 4) Estate Planning Advice
- 5) Wealth Management Advice

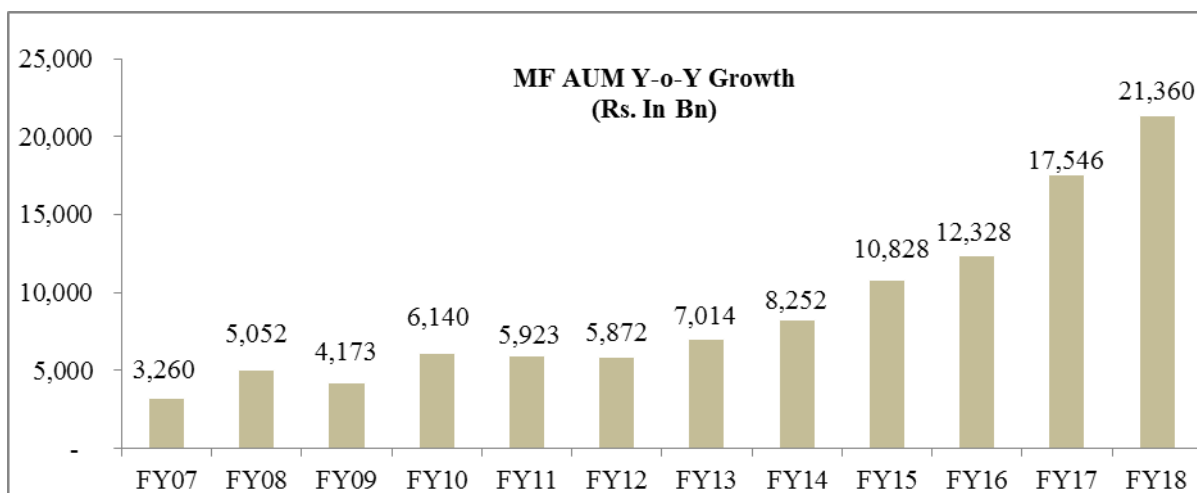
Based on the investment corpus available with the individuals, CARE has grouped individuals in following four categories:

- Retail – With financial assets of ₹1 million and lower
- Mass Affluent – With financial assets between ₹1 million to ₹50 million
- HNI - With financial assets between ₹50 million to ₹500 million
- Ultra HNI – With financial assets of more than ₹ 500 million

Wealth Pyramid



1. Indian Mutual Fund Industry Overview



(Source - CARE Advisory Research)

The Indian mutual fund industry has a long history of over 50 years, starting with the formation of UTI, a joint initiative of the Government of India (“GOI”) and the RBI in 1963. It was regulated and controlled by the RBI until 1978, after which the Industrial Development Bank of India (“IDBI”) took over. UTI launched its first scheme, Unit Scheme 1964, in 1964 and its AUM reached ₹67 billion by 1988. The year 1987 witnessed the entry of other public sector banks to set up mutual fund business in the country. Since 2003, the mutual fund industry has witnessed a healthy growth, supported by various regulatory measures as well as investor education initiatives, where AUM of the Indian Mutual Fund Industry has grown from ₹3.26 trillion as on March 31, 2007 to ₹21.36 trillion as on March, 2018, about six and half fold increase in a span of about 11 years

2. Evolution of Digital Wealth Management

The global wealth management industry is being revolutionized by the rapid pace of digital innovation. After the global financial crisis, while traditional asset managers focused on meeting the enhanced regulatory requirements and resolving other crisis-driven complexities, several new age digital players focused on developing simpler and cheaper methods of delivering financial advice in an innovative way. This paved the way for virtual advice, and amidst the increasing evolution of virtual advice, one of the most recent disruptions is the robo-advisor movement, i.e., the emergence of a new group of digital wealth management firms offering automated investment advice services. Notably, these firms are challenging one of the main paradigms of the wealth management industry: the need for face-to-face interaction and a personalized human touch to financial advice.

Robo advisors are automated, low-cost money management providers that mirror the role of a traditional financial advisor. They offer user-friendly digital platforms and conduct individualized risk profiling via algorithms to determine an optimal asset allocation for investor’s portfolio vis-à-vis the archetypal time-intensive face-to-face consultations carried out by traditional wealth managers. The basis for this technology is that algorithms can provide sound and logical financial advice at a fraction of a cost compared to human advisors.

C. Key Growth Drivers

1. Increasing Penetration of Mutual Fund Market in India

Assets managed by the Indian mutual fund industry have grown from ₹18.58 trillion in March 2017 to ₹22.71 trillion in March 2018. That represents a 22.22% growth in assets over March 2017. (Assets are measured as average assets for the month).

Despite the size and growth profile, India continues to be underpenetrated with a mutual fund penetration rate (the ratio of period ending mutual fund AUM to GDP) of 10% in 2016, as compared to 102% in the United States, 59% in Brazil and a global average of 54%. Further, India accounts for less than 1% of the global mutual fund industry, representing a significant growth opportunity.

2. Increase in Wealth and HNI population in India

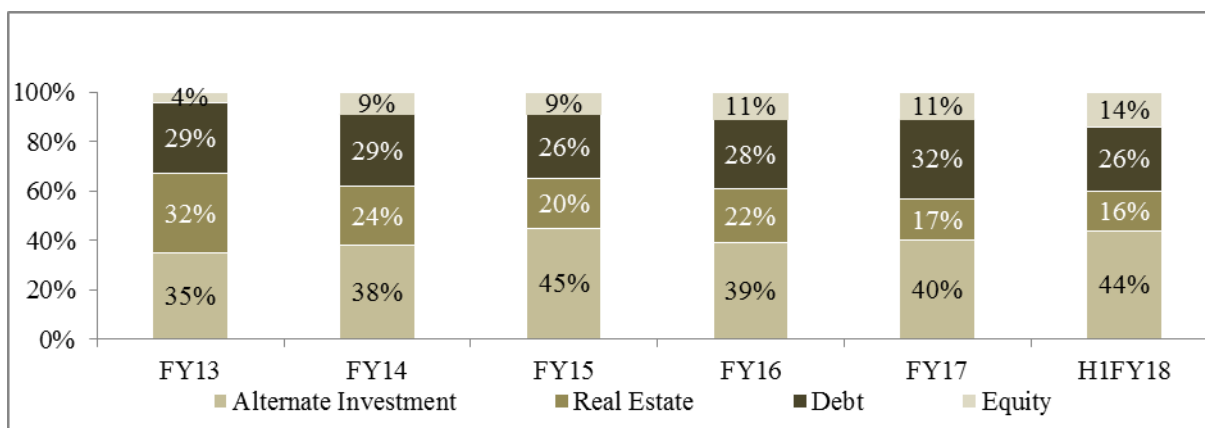
| Growth of Ultra HNHs in India | | |
|--------------------------------------|-------------------------------|-----------------------------|
| | Assets (in ₹ trillion) | Number of Ultra HNHs |
| 2010-11 | 45 | 62,000 |
| 2011-12 | 65 | 81,000 |
| 2012-13 | 86 | 100,900 |
| 2013-14 | 104 | 117,000 |
| 2014-15 | 128 | 137,100 |
| 2015-16 | 135 | 146,600 |
| 2016-17 | 153 | 160,600 |
| 2021-2022E | 352 | 330,400 |

(Source - CARE Advisory Research)

India currently has one of the youngest populations in the world, with a median age of 27.73 years and has the world's highest number of 10 to 24-year-olds, with 242 million, compared to China, which has 185 million young people. By 2020, India is expected to have 34.33% share of youth in total population. Although India is one of the world's fastest growing ultra-high-net-worth Individual ("UHNIs") populations both in terms of the number of individuals and the wealth levels, percentage of wealthy Indians remains very small compared with developed economies. With increase in start-ups, rising income levels and friendly macro factors with ease of doing business will drive growth of young HNI population in India, a big opportunity for wealth management firm to tap into underpenetrated market. Currently, around 69% of total HNI population in India is below the age of 55 years where majority of them seeks a wealth manager to advice on investment opportunity as they neither have the expertise nor the time to monitor their investments. The no of UHNIs grew to 1,60,600 (with ₹153 trillion worth of assets) at the end of 2017, up 10% from that in 2016, which roughly equaled the combined market-capitalisation of all companies listed on BSE. Ultra-HNIs in India are expected to double to 330,400 with ₹352,000 billion worth of assets by 2022 mostly increase driven by young Indians getting wealthier. Ultra High Net Worth Households in India are inclining towards 'opportunity-driven approach' to equity investing and are keen on reducing exposure to real estate and debt instruments in pursuit of bigger profits in equity market. *(Source- CARE Advisory Research)*

3. Increase in Household savings with high proportion of savings towards financial assets.

A large fraction of the wealth of Indian households is in the form of physical assets (in particular, gold and real estate). The average Indian household holds 84% of its wealth in real estate and other physical goods, 11% in gold and the residual 5% in financial assets. As compared to other international countries, financial savings has higher proportion to household's savings in advanced economies as they are more likely to finance home purchasing with a mortgage and allocate a sizeable fraction of their wealth to retirement savings over the course of their lifetime. Investors in India are increasingly changing its investment behaviour from physical savings into real estate and gold towards financial assets such as equity, bonds and alternate investments that has higher potential for wealth creation. Such financial savings will find its way into mutual funds, owing to increased awareness of the product. Lower expected returns on physical assets have been one of the major factors for shift in investments preference of investors towards financial products. With a high possibility of double-digit growth in corporate earnings over the next few years, aided by a low base and recovery in growth, investment in equities is the preferred asset class in the coming years for HNI's and UHNIs.



(Source-CARE Advisory Research)

4. Digitalizing Wealth Management Sector

Technology is poised to change the nature and delivery of financial advice in some significant ways. Technology is an enabling platform convergence and creating opportunities for new client engagement. There is an increasing number of online trading, brokerage, investment, direct-to-consumer (D2C) and robo-advisors offering user friendly, low-cost, automated solutions for core functions such as investing, asset allocation, and portfolio management and reporting. Asset managers revamp their business models — standardize, centralize and outsource through the use of technology. Processes are becoming paperless, efficient, easy and real-time.

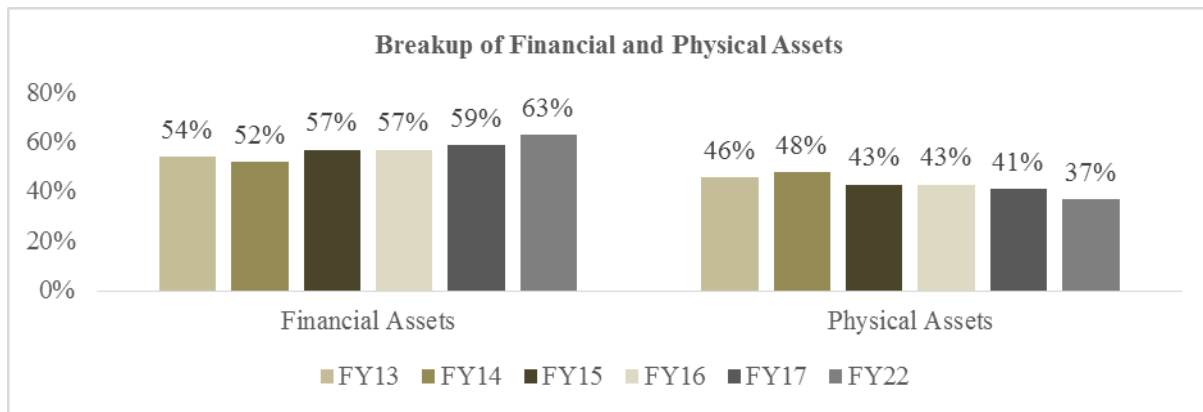
5. Government Initiatives

In order to promote investors participation, government / regulators are boosting investor's confidences to participate in equity / debt market by increased focus on client centricity, fiduciary responsibility and compliance. Regulatory have been more stringent in their requirements regarding advisor qualifications, infrastructure, risk profiling and suitability criteria. To enhance the penetration of mutual funds in the country, SEBI sought to increase the sales in the B15 location through the commission structure. In 2011, SEBI proposed a self-regulatory organization (SRO) for the Indian wealth management sector that would help regulate business and serve as a medium for SEBI to implement various wealth management initiatives. In September 2012, SEBI allowed fund houses to charge an additional 30 basis points on daily net assets in the total expense ratio, should the new inflows from B15 cities be at least 30% of the gross new inflows in the scheme or 15% of the average assets under management, whichever is higher.

D. Outlook for Wealth Management Industry in India

| (₹ in Billion) | | | | | | |
|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Category | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY22 |
| Financial Assets | 109,860 | 134,710 | 160,560 | 177,880 | 203,910 | 403,080 |
| Physical Assets | 92,060 | 122,710 | 119,890 | 132,270 | 140,100 | 235,810 |
| Total | 201,920 | 257,420 | 280,450 | 310,150 | 344,000 | 638,890 |

(Source— CARE Advisory Research)



(Source— CARE Advisory Research)

- **Projected financial wealth – asset class wise distribution in FY22**

Financial assets are likely to almost double by FY22 to reach a figure of ₹403,000 billion in FY22 as compared to ₹204,000 billion in FY17. Direct equity investments is expected to be the key growth driver for the future and expected to grow at a CAGR of more than 21% over the next 5 years. The positive sentiment also helped propel Mutual Funds which grew at over 39% over the previous year as individuals increasingly identify this asset class as a better way to participate in the equity markets. It is therefore expected that by FY22, the share of financial assets in the total investment pool will rise to 63.09% from 59.27% in FY17.

- **Projected Financial Wealth Asset Class wise Distribution**

(₹ in Billion)

| Category | FY 14 | FY 15 | FY 16 | FY 17 | FY 22 | Proportion FY 17 | Proportion FY 22 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Fixed Deposits and Bonds | 29,400 | 33,260 | 36,820 | 40,150 | 72,360 | 19.69% | 17.95% |
| Direct Equity | 26,660 | 34,400 | 29,640 | 37,580 | 99,190 | 18.43% | 24.61% |
| Insurance | 22,130 | 23,600 | 25,480 | 30,010 | 57,270 | 14.72% | 14.21% |
| Saving Deposits | 16,290 | 19,900 | 21,590 | 27,610 | 45,600 | 13.54% | 11.31% |
| Cash | 13,010 | 14,480 | 16,630 | 13,350 | 24,960 | 6.55% | 6.19% |
| Provident Fund | 7,360 | 9,240 | 11,510 | 13,040 | 27,140 | 6.40% | 6.73% |
| Mutual Funds | 3,930 | 5,520 | 6,240 | 8,680 | 19,670 | 4.26% | 4.88% |
| NRI Deposits | 6,220 | 7,210 | 8,270 | 7,570 | 13,230 | 3.71% | 3.28% |
| Unlisted Equity | - | - | 5,860 | 7,230 | 17,650 | 3.55% | 4.38% |
| Small Savings | 5,790 | 5,790 | 6,590 | 6,680 | 6,400 | 3.27% | 1.59% |
| Current Deposits | 3,080 | 3,430 | 4,370 | 6,110 | 8,650 | 3.00% | 2.15% |
| Pension Funds | 480 | 3,160 | 3,930 | 4,750 | 8,420 | 2.33% | 2.09% |
| Alternative Investments | 240 | 420 | 780 | 930 | 2,180 | 0.46% | 0.54% |
| International assets | 130 | 140 | 180 | 210 | 360 | 0.10% | 0.09% |
| Total | 134,710 | 160,560 | 177,880 | 203,910 | 403,080 | 100.00% | 100.00% |

(Source— CARE Advisory Research)

SUMMARY OF OUR BUSINESS

Unless otherwise stated or the context otherwise requires, references in this section to “we”, “our” or “us” are to the Anand Rathi Wealth Management Group. This section should be read in conjunction with the sections titled “Risk Factors”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 18, 116 and 331 of this Draft Red Herring Prospectus, respectively, as well as the financial information included in the section titled “Financial Information” on page 207 of this Draft Red Herring Prospectus.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Financial Information or otherwise subjected to an examination, audit or review by our Auditors or any other expert. The manner in which some of the operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other wealth management companies in India and other jurisdictions.

Overview

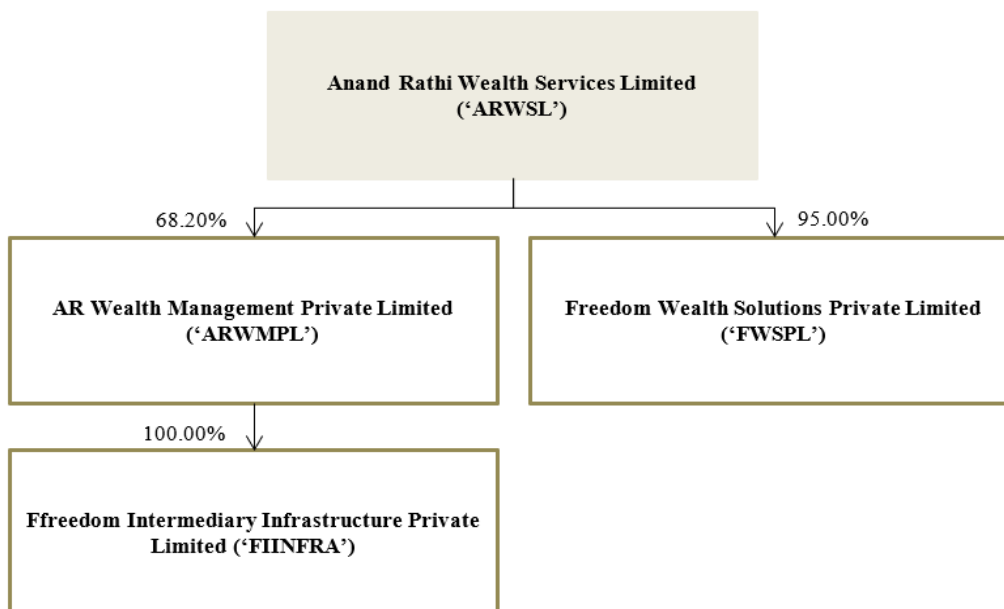
We are one of the leading non-bank wealth management services firms in India (*Source – CARE Advisory Research*) that caters to a large spectrum of clients through a mix of advisory, distribution and technology solutions. We are one of the few wealth management companies in India that caters to clients across mass affluent, HNI as well as the Ultra HNIs through various solutions ranging from personal service to technology and robo-advisory. We carry out our business through our three business verticals, namely Private Wealth Management (“**PWM**”), Digital Wealth Management (“**DWM**”) and Omni Financial Advisors (“**OFA**”). Under our PWM vertical, we provide wealth management solutions to our clients which include facilitating client investments in various financial instruments including but not limited to, mutual funds, debentures, structured products and equity derivatives for the purpose of investment strategies. Our DWM vertical allows us to build an economically feasible wealth management model for services to the mass affluent market. Further, our OFA platform is India’s leading tech platforms for IFAs (*as of June, 2018 and in terms of subscribing IFAs*) (*Source – CARE Advisory Research*) to service their clients and grow their business. Our total AuA from our PWM and DWM business was ₹169.97 billion, as on July 31, 2018. We operate with team strength of 514, 34 and 94 as on July 31, 2018 for our PWM, DWM and OFA verticals, respectively.

We are part of the Anand Rathi Group, founded by Mr. Anand Rathi and Mr. Pradeep Gupta in the year 1994 with a focus on stock-broking services and subsequently, has expanded into a diversified financial services conglomerate in the country with presence in segments, including non-banking financial services, wealth management, stock broking, investment banking and insurance broking. The Anand Rathi Group has expanded its geographical footprint and operates through 98 offices across India and the Middle East, which they service through business associates and representative offices/associate companies.

ARFSL, at the time, an AMFI registered mutual fund distributor, transferred certain businesses including the mutual fund distribution business in Fiscal 2016 to ARAL, which held a merchant banker registration, with a view to achieving a simplified business structure and facilitating a dedicated management structure for its core businesses.

Subsequently, in Fiscal 2017, ARAL further transferred its mutual fund distribution business to our Company.

Presently, the Anand Rathi Group conducts its wealth management activities including distribution of mutual funds through Anand Rathi Wealth Management Group as set out below:



Our business verticals include Private Wealth Management (“P W M”), Digital Wealth Management (“D W M”) and Omni Financial Advisors (“O F A”) through which we provide advisory, distribution and technology solutions, as detailed below:

Private Wealth Management (P W M): Our P W M vertical caters to the Ultra HNI and HNI segments of our clientele. The revenue generating activities include distribution of mutual funds, sale of financial products and investment advisory fees. As of July 31, 2018, the AuA for our P W M business was ₹ 167.02 billion with 3,653 active client families, which are serviced by a team of 208 Relationship Managers. We are present across nine cities in India, namely, Mumbai, Bangalore, Delhi, Gurugram, Hyderabad, Kolkata, Chennai, Pune and Goa.

For the 12 months ended March 31, 2018 we had ‘net mobilization from clients’ of ₹ 27.33 billion. We define ‘net mobilization from clients’ as difference between additional AuA procured by our Company net of any outflow.

We define AuA as a sum of:

- All third party assets that generate commissions or fees, which maybe upfront and/or on a trail basis; and
- Custody assets of wealth management clients.

Our AuA includes the AuA of private wealth management clients who were a part of ARFSL and ARAL before the same was transferred to our Company. We however, do not include value of promoter holdings in companies in our AuA even though they maybe in the Anand Rathi Group’s custody. We also do not include any custody assets where such clients do not have current holding of third-party assets.

We define ‘active client families’ as client families/groups with at least ₹5 million in cumulative AuA. Each ‘client family’ may have one or more sub-accounts or family member accounts through which they invest.

The details for the AuA of our P W M business is as set out below:

| AuA as at | AuA in ₹ billion |
|----------------|------------------|
| March 31, 2014 | 39.47 |
| March 31, 2015 | 56.33 |
| March 31, 2016 | 69.41 |
| March 31, 2017 | 95.81 |

| AuA as at | AuA in ₹ billion |
|----------------|------------------|
| March 31, 2018 | 149.88 |
| July 31, 2018 | 167.02 |

The number of active client families with respect to our PWM business was 3,330 and 3,653 as on March 31, 2018 and July 31, 2018, respectively.

Digital Wealth Management (DWM): Our offering for the mass affluent segment, seeks to combine the benefits of a human touch and a technology platform to deliver our wealth management services to clients. Our digital platform offers integrated wealth management services by innovative use of technology to interact with clients and help them kick-start the process of building long term wealth via online/mobile based services delivered by our employees and client engagement partners. As part of DWM business, we engage with these partners who help us service our clients and get compensated on the basis of the revenue generated by the clients serviced by these partners. Currently, we offer these services through our mobile based application, 'AR Wealth Management'. As of July 31, 2018, the AuA for our DWM vertical was ₹ 2.95 billion with 1,978 clients and 72 client engagement partners.

Omni Financial Advisors (OFA): It provides a technology platform for Independent Financial Advisors ("IFAs") to service their clients and grow their business. This cloud-based platform provides mobile – first client reporting, online transactions and financial planning systems for IFAs and their clients, coupled with analytics, data management and reporting systems and dedicated team of support and technology specialists. The OFA platform is a leading tech platform for IFAs (*as of June, 2018 and in terms of subscribing IFAs*) (*Source – CARE Advisory Research*). As of July 31, 2018, 4,923 IFAs had subscribed to our OFA platform. These IFAs handle over 1.86 million clients, with Platform Assets of ₹ 557.26 billion as of July 31, 2018. We define Platform Assets as sum total of subscribed IFAs' client assets processed and reported by us.

Our client segment, AuA or Platform Assets, service delivery, history growth and average client size for each of the business verticals are detailed below:

As on July 31, 2018

| Anand Rathi Wealth Management Group Vertical | Client segment | AuA Platform Assets / | Service Delivery | Historical Growth | Average client size |
|--|-------------------|--|---|--|---|
| PWM | Ultra HNI and HNI | AuA- ₹167.02 billion Active client families – 3,653 | Nine branches, 208 Relationship Managers | 39.47% p.a. in AuA from March 31, 2014 to July 31, 2018 | ₹ 45.72 million per active client family |
| DWM | Mass Affluent | AuA – ₹ 2.95 billion Clients – 1,978 | Mobile apps, website, employees and 72 client engagement partners | We launched our DWM platform in August, 2016 | ₹ 1.49 million per client |
| OFA | Retail | Platform Assets - ₹ 557.26 billion Platform Clients – over 1.86 million | 4,923 IFAs Mobile apps, website and support centre | 171.28% p.a. growth in number of IFAs from March 31, 2017 to July 31, 2018 | Platform Assets of ₹ 0.30 million per Platform Client Platform Assets of ₹113.20 million per IFA |

Our standalone revenue from operation and total comprehensive income for the period, representing the PWM business were ₹ 2,104.94 million and ₹ 502.09 million respectively for Fiscal 2018, and our consolidated revenue from operation and total comprehensive income for the period were ₹ 2,210.32 million and ₹ 461.41 million respectively for Fiscal 2018. Our standalone and consolidated RONW was 56.06% and 59.02%, respectively, for Fiscal 2018.

We believe in an ‘uncomplicated’ objective-oriented approach towards wealth management, in which we help our clients identify their wealth goals; post which we create customized financial strategies providing investment solutions to our clients. We also assist IFAs to provide wealth management services to their clients by leveraging our OFA technology platform.

We believe that our ‘uncomplicated’ wealth management strategy, standardised delivery processes and a highly motivated team of trained Relationship Managers help us in attracting and servicing HNI and Ultra HNI clients. Further, we have made significant investments in technology through ARWMPL and FIINFRA that are aimed at making the business more scalable and offering an enhanced client experience. We believe that the mass affluent space remains untapped and presents a lucrative business opportunity. Our DWM platform, ‘AR Wealth Management’, offers a technology platform to the mass affluent, and OFA offers a technology platform to IFAs (who provide wealth management services to their clients). Thus, we are able to provide services across a wide spectrum of clients.

We believe that the wealth management sector in India holds significant growth potential. The Indian economy is one of the fastest growing large economies in the world with projected growth of 7.3% in Fiscal 2018 and 7.5% in Fiscal 2019 (*Source – CARE Advisory Research*). Individual wealth is expected to grow at a CAGR of 13.18% till Fiscal 2022 (*Source – CARE Advisory Research*). We believe that this strong macroeconomic backdrop, coupled with India’s growing number of HNI population, rising affluence, digitization and awareness will continue to propel the financialization of savings and therefore the growth of the wealth management sector in India.

The Indian wealth management market is on a sustained path of growth, given India’s long-term economic prospects, positive demographics, rising income levels and current low penetration. In India, 45% of the total wealth is held by 8% of the population of which 20% take advice from wealth managers, hence we have an under penetrated market with huge upside growth potential for wealth managers. (*Source – CARE Advisory Research*)

The global wealth management industry is being revolutionized by the rapid pace of digital innovation. After the global financial crisis, while traditional asset managers focused on meeting the enhanced regulatory requirements and resolving other crisis-driven complexities, several new age digital players focused on developing simpler and cheaper methods of delivering financial advice in an innovative way. This paved the way for virtual advice, and amidst the increasing evolution of virtual advice, one of the most recent disruptions is the robo-advisor movement, i.e., the emergence of a new group of digital wealth management firms offering automated investment advice services. (*Source – CARE Advisory Research*)

Our Competitive Strengths

- We believe in delivering uncomplicated and standardised solutions
- Leveraging technology to target market opportunities in wealth management across client segments
- Strong Business and Financial Metrics
- Entrepreneurial and collaborative work culture

Strategies

The key elements of our strategy are as follows:

- Growing team with a focus on business expansion

- Using technology to create greater scalability
- Brand building and marketing
- Leverage DWM and OFA to build profitable scale in adjacent client segments

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information.

The Restated Financial Information referred to are presented under the section entitled “*Financial Information*” on page 207. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and the sections entitled “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 207 and 331, respectively.

RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

| PARTICULARS | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
|-------------|-------------------------------------|-------------------------|-------------------------|
| I | ASSETS | | |
| | Non-Current Assets | | |
| | Property, Plant and Equipment | 48.01 | 18.98 |
| | Goodwill | 4.06 | 4.06 |
| | Other Intangible assets | 133.47 | 90.10 |
| | Intangible assets under development | 234.60 | 202.83 |
| | Financial Assets | | |
| | - Investments | - | - |
| | - Loan | 23.88 | 10.95 |
| | - Other Financial assets | 2.50 | - |
| | Current Tax Assets (Net) | 94.40 | 22.67 |
| | Deferred Tax Assets | - | 3.92 |
| | | 540.92 | 353.51 |
| | Current Assets | | |
| | Financial Assets | | |
| | - Investments | 500.82 | - |
| | - Trade Receivables | 122.74 | 74.60 |
| | - Cash and cash equivalents | 5.68 | 26.52 |
| | - Bank balances other than above | 0.39 | 0.37 |
| | - Loans | 150.00 | - |
| | - Other Financial Assets | 221.93 | 88.97 |
| | Other Current Assets | 87.44 | 9.47 |
| | | 1,089.00 | 199.93 |
| | TOTAL ASSETS | 1,629.92 | 553.44 |
| II | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Equity Share Capital | 134.43 | 130.50 |
| | Other Equity | 649.23 | (0.36) |
| | Non Controlling Interest | (2.02) | 3.85 |
| | | 781.64 | 133.99 |
| | Liabilities | | |
| | Non-Current Liabilities | | |
| | Financial Liabilities | | |
| | - Borrowings | 4.97 | 1.35 |
| | Provisions (Non Current) | 0.89 | 3.38 |
| | Deferred Tax Liabilities | 76.23 | - |

| PARTICULARS | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
|-------------------------------------|-------------------------|-------------------------|
| | 82.09 | 4.73 |
| | | |
| Current Liabilities | | |
| Financial liabilities | | |
| - Borrowings | 1.88 | 251.73 |
| - Trade Payables | 53.84 | 40.66 |
| - Other Financial Liabilities | 388.77 | 13.51 |
| Provisions (Current) | 255.16 | 75.50 |
| Other Current Liabilities | 66.54 | 33.32 |
| | 766.19 | 414.72 |
| | | |
| TOTAL EQUITY AND LIABILITIES | 1,629.92 | 553.44 |

Note: The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF PROFIT & LOSS

(₹ in million)

| PARTICULARS | | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
|-------------|--|-----------------------------------|-----------------------------------|
| I | Revenue From Operation | 2,210.32 | 410.14 |
| II | Other Income | 26.88 | 15.33 |
| | Total Revenue | 2,237.20 | 425.47 |
| III | Expenses: | | |
| | Employee Benefit Expenses | 1,042.29 | 350.55 |
| | Finance Costs | 87.32 | 1.18 |
| | Depreciation and Amortisation Expenses | 51.80 | 10.34 |
| | Other Expenses | 382.77 | 68.82 |
| | Total Expenses | 1,564.18 | 430.89 |
| IV | Profit/(Loss) Before Tax | 673.02 | (5.42) |
| V | Tax Expenses: | | |
| | 1. Current Tax | 132.04 | 0.10 |
| | 2. Deferred Tax | 80.16 | (3.92) |
| | Total Tax Expenses | 212.20 | (3.82) |
| VI | Profit/(Loss) for the Year | 460.82 | (1.60) |
| | Share of Non Controlling Interest | (1.71) | (0.88) |
| | Profit/ (Loss) attributable to the Group for the year | 462.53 | (0.72) |
| VII | Other Comprehensive Income/(Loss) | | |
| | (A) (i) Items that will not be reclassified to profit or loss | (1.12) | 0.31 |
| | (ii) Less : Income tax relating to items that will not be reclassified to profit or loss | - | 0.09 |
| | (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) | (1.12) | 0.22 |
| | Share of Non Controlling Interest | (0.00) | 0.01 |
| | | (1.12) | 0.21 |
| | TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR | 461.41 | (0.51) |
| VIII | Earning Per Equity Share (after split): | | |
| | Basic | 17.31 | (0.04) |
| | Diluted | 16.97 | (0.04) |

Note: The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW

(₹ in million)

| PARTICULARS | | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
|-------------|---|-----------------------------------|-----------------------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit Before Tax and Extraordinary Items | 673.02 | (5.42) |
| | Add/(Less) : | | |
| | Depreciation | 51.80 | 10.34 |
| | Interest Income | (1.30) | (0.31) |
| | Interest Expenses | 87.32 | 1.18 |
| | Dividend | - | (0.56) |
| | Gain on Sale of Investments | (3.38) | (14.16) |
| | Fair Value of Financial Instruments | (284.49) | - |
| | (Gain)/Loss on sale of Fixed Assets | (0.50) | 1.33 |
| | | (150.55) | (2.18) |
| | Operating Profit Before Working Capital Changes | 522.47 | (7.60) |
| | Adjustment for : | | |
| | Trade Receivables & Other / Financial Current Assets | 24.57 | (152.09) |
| | Security Deposit Given | (12.93) | (10.96) |
| | Short Term Borrowing & Other Current Liabilities | 598.75 | 161.41 |
| | Change in ESOP Outstanding | 0.03 | 0.04 |
| | | 610.42 | (1.60) |
| | Cash Generated From Operations | 1,132.89 | (9.20) |
| | Add/(Less) : | | |
| | Direct Taxes Paid (Net) | (203.76) | (22.42) |
| | Net Cash From Operating Activities | 929.13 | (31.62) |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Sale/(Purchase) of Fixed Assets | (34.56) | (21.98) |
| | Dilution of NCI | (69.03) | - |
| | Acquisition of Intangible Assets | (89.12) | (98.78) |
| | Intangible Assets Under Development | (31.78) | (202.83) |
| | Dividend | - | 0.56 |
| | Interest Income | 1.30 | 0.31 |
| | Sale/(Purchase) of Other Investment | (496.62) | 56.59 |
| | Loans Given | (150.00) | - |
| | Investment in Fixed Deposit | (2.52) | (0.37) |
| | Net Cash From Investing Activities | (872.33) | (266.50) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Loan Taken/(Repayment) | (246.22) | 253.08 |
| | Interest Expenses | (87.32) | (1.18) |
| | Issue of Shares | 255.90 | 67.30 |
| | Net Cash Used In Financing Activities | (77.64) | 319.20 |
| | NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (20.84) | 21.08 |
| | CASH AND CASH EQUIVALENTS - OPENING BALANCE | 26.52 | 5.44 |
| | CASH AND CASH EQUIVALENTS - CLOSING BALANCE | 5.68 | 26.52 |

Details of Cash and Cash equivalents at the end of the year*(₹ in million)*

| PARTICULARS | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
|----------------------------|--|--|
| Cash in Hand | 2.05 | 0.97 |
| Balance in Current Account | 3.63 | 25.55 |
| Total | 5.68 | 26.52 |

1) Restated 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.

Note: The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

RESTATED IND AS STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

| PARTICULARS | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
|-------------|--------------------------------|-------------------------|-------------------------|------------------------------------|
| I | ASSETS | | | |
| | Non-Current Assets | | | |
| | Property, Plant and Equipment | 37.84 | 7.01 | - |
| | Other Intangible assets | 54.05 | 62.94 | - |
| | Financial Assets | | | |
| | - Investments | 117.94 | 25.20 | 42.42 |
| | - Loan | 23.53 | 10.61 | - |
| | - Other Financial assets | 2.50 | - | - |
| | Current Tax Assets (Net) | 86.44 | 15.72 | 0.45 |
| | Deferred Tax Assets (Net) | - | 3.93 | 0.00 |
| | | 322.30 | 125.41 | 42.87 |
| | Current Assets | | | |
| | Financial Assets | | | |
| | - Investments | 500.81 | - | - |
| | - Trade Receivables | 104.55 | 73.66 | 4.90 |
| | - Cash and cash equivalents | 3.41 | 22.65 | 5.44 |
| | - Loans | 488.59 | 209.03 | - |
| | - Other Financial Assets | 221.93 | 88.97 | - |
| | Other Current Assets | 76.21 | 5.74 | 16.04 |
| | | 1,395.50 | 400.05 | 26.38 |
| | TOTAL ASSETS | 1,717.80 | 525.46 | 69.25 |
| II | EQUITY AND LIABILITIES | | | |
| | Equity | | | |
| | Equity Share Capital | 134.43 | 130.50 | 1.95 |
| | Other Equity | 763.53 | 9.43 | 62.41 |
| | | 897.96 | 139.93 | 64.36 |
| | Liabilities | | | |
| | Non-Current Liabilities | | | |
| | Financial Liabilities | | | |
| | - Borrowings | 4.97 | 1.35 | - |
| | Deferred Tax Liabilities (Net) | 76.15 | - | - |
| | | 81.12 | 1.35 | - |
| | Current Liabilities | | | |
| | Financial liabilities | | | |
| | - Borrowings | 1.88 | 245.57 | - |
| | - Trade Payables | 47.98 | 34.54 | 0.00 |
| | - Other Financial Liabilities | 387.12 | 5.12 | 4.75 |
| | Provisions (Current) | 251.49 | 75.50 | - |
| | Other Current Liabilities | 50.25 | 23.45 | 0.14 |

| PARTICULARS | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
|-------------|-------------------------------------|-------------------------|-------------------------|------------------------------------|
| | | 738.72 | 384.18 | 4.89 |
| | TOTAL EQUITY AND LIABILITIES | 1,717.80 | 525.46 | 69.25 |

(₹ 0.00 million indicates amount less than ₹ 0.01 million)

RESTATED IND AS STANDALONE SUMMARY STATEMENT OF PROFIT & LOSS

(₹ in million)

| PARTICULARS | | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
|-------------|--|---|---|---|
| I | Revenue From Operation | 2,104.94 | 369.47 | 4.75 |
| II | Other Income | 87.93 | 23.13 | 2.46 |
| | Total Revenue | 2,192.87 | 392.60 | 7.21 |
| III | Expenses: | | | |
| | Employee Benefit Expenses | 998.99 | 330.25 | 0.96 |
| | Finance Costs | 87.28 | 7.81 | 0.03 |
| | Depreciation and Amortisation Expenses | 35.18 | 0.09 | - |
| | Other Expenses | 358.22 | 49.39 | 4.29 |
| | Total Expenses | 1,479.67 | 387.54 | 5.28 |
| IV | Profit/(Loss) Before Tax | 713.20 | 5.06 | 1.93 |
| V | Tax Expenses: | | | |
| | 1. Current Tax | 129.77 | - | 0.36 |
| | 2. Deferred Tax | 80.07 | (3.93) | |
| | Total Tax Expenses | 209.84 | (3.93) | 0.36 |
| VI | Profit/(Loss) for the Year | 503.36 | 8.99 | 1.57 |
| VII | Other Comprehensive Income/(Loss) | | | |
| | (A) (i) Items that will not be reclassified to profit or loss | (1.27) | 0.30 | - |
| | (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) | (1.27) | 0.30 | - |
| | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 502.09 | 9.29 | 1.57 |

| PARTICULARS | | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
|-------------|---------------------------|-----------------------------------|-----------------------------------|--|
| | | | | |
| VIII | Earning Per Equity Share: | | | |
| | Basic | 18.83 | 0.46 | 0.12 |
| | Diluted | 18.47 | 0.46 | 0.12 |

Note: The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

RESTATED IND AS STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

| Particulars | | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
|-------------|--|--|--|---|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | 713.20 | 5.06 | 1.93 |
| | Add / (Less) : | | | |
| | Depreciation & Amortisation | 35.18 | 0.09 | - |
| | Interest Income | (27.71) | (8.42) | (1.26) |
| | Interest Expenses | 87.28 | 7.81 | 0.03 |
| | Dividend | - | (0.57) | (1.20) |
| | Gain on Sale of Investments | (3.38) | (14.14) | - |
| | Fair Value of Financial Instruments | (284.48) | - | - |
| | | (193.11) | (15.23) | (2.43) |
| | OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 520.09 | (10.17) | (0.50) |
| | Adjustment for : | | | |
| | Trade Receivables & Other Current / Financial Assets | (212.53) | (147.43) | (0.72) |
| | Security Deposit Given | (12.91) | (10.61) | - |
| | Other Financial / Current Liabilities | 858.93 | 134.03 | 4.81 |
| | Change in ESOP Outstanding | 0.03 | 0.04 | - |
| | | 633.52 | (23.97) | 4.09 |
| | CASH GENERATED FROM OPERATIONS | 1,153.61 | (34.14) | 3.59 |
| | Add / (Less) : | | | |
| | Direct Taxes Paid (Net) | (200.49) | (15.27) | (0.87) |
| | NET CASH FROM OPERATING ACTIVITIES | 953.12 | (49.41) | 2.72 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES : | | | |
| | Purchase of Property, Plant & Equipment | (34.44) | (7.10) | - |
| | Sale of Property Plant & Equipment | 0.01 | | |
| | Acquisition of Customer relationship | (22.70) | (62.94) | - |
| | Loans Given | (279.55) | (209.03) | - |
| | Dividend | - | 0.56 | 1.20 |
| | Interest Income | 27.63 | 8.42 | 1.26 |
| | Investment in Subsidiaries | (92.74) | (25.20) | |
| | Purchase of Other Investment | (1,100.00) | 56.55 | - |
| | Sale of Other Investment | 603.38 | | |
| | Investment in Fixed Deposit | (2.50) | - | - |
| | NET CASH FROM INVESTING ACTIVITIES | (900.91) | (238.74) | 2.46 |
| C. | CASH FLOW FROM FINANCING ACTIVITIES : | | | |
| | Loan Taken/(Repayment) | (240.08) | 246.92 | - |
| | Interest Expenses | (87.28) | (7.81) | (0.03) |
| | Issue of Shares | 255.91 | 66.25 | - |
| | NET CASH USED IN FINANCING ACTIVITIES | (71.45) | 305.36 | (0.03) |

| Particulars | | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
|-------------|---|-----------------------------------|-----------------------------------|--|
| | | | | |
| | NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (19.24) | 17.21 | 5.15 |
| | | | | |
| | CASH AND CASH EQUIVALENTS - OPENING BALANCE | 22.65 | 5.44 | 0.29 |
| | | | | |
| | CASH AND CASH EQUIVALENTS - CLOSING BALANCE | 3.41 | 22.65 | 5.44 |

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

| PARTICULARS | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 |
|------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| - Cash in Hand | 1.30 | 0.56 | 0.20 |
| - Balance in Current Account | 2.11 | 22.09 | 5.24 |
| Total | 3.41 | 22.65 | 5.44 |

Restated 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.

Note: The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

| PARTICULARS | | AS AT MARCH 31, 2015 | AS AT MARCH 31, 2014 |
|-------------|--------------------------------------|-------------------------|-------------------------|
| I | <u>EQUITY AND LIABILITIES</u> | | |
| 1 | <u>Share Holders Funds</u> | | |
| | (a) Share Capital | 1.95 | 1.95 |
| | (b) Reserves and Surplus | 60.84 | 60.97 |
| | | 62.79 | 62.92 |
| 2 | <u>Current Liabilities</u> | | |
| | (a) Other Current Liabilities | 0.13 | 0.12 |
| | | 0.13 | 0.12 |
| | <u>TOTAL</u> | 62.92 | 63.04 |
| II | <u>ASSETS</u> | | |
| 1 | <u>Non-Current Assets</u> | | |
| | (a) Non-Current Investments | 42.42 | 52.42 |
| | (b) Deferred Tax Assets (Net) | - | 0.99 |
| | (c) Long-Term Loans and Advances | - | 0.39 |
| | | 42.42 | 53.80 |
| 2 | <u>Current Assets</u> | | |
| | (a) Trade Receivables | 5.09 | 5.09 |
| | (b) Short Term Loans and Advances | 14.54 | 0.54 |
| | (c) Cash and Cash Equivalents | 0.29 | 2.18 |
| | (d) Other Current Assets | 0.58 | 1.43 |
| | | 20.50 | 9.24 |
| | <u>TOTAL</u> | 62.92 | 63.04 |

Note: The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

RESTATED PREVIOUS GAAP SUMMARY STATEMENT OF PROFIT & LOSS

(₹ in million)

| PARTICULARS | | FOR THE YEAR ENDED MARCH 31, 2015 | FOR THE YEAR ENDED MARCH 31, 2014 |
|-------------|---|---|---|
| | | | |
| I | Revenue From Operation | - | 5.03 |
| II | Other Income | 1.79 | 4.94 |
| | Total Revenue | 1.79 | 9.97 |
| III | Expenses: | | |
| | Employee Benefit Expenses | 0.86 | 4.53 |
| | Operational & Other Expenses | 0.03 | 2.44 |
| | Total Expenses | 0.89 | 6.97 |
| IV | Profit/(Loss) Before Tax | 0.90 | 3.00 |
| V | Tax Expenses: | | |
| | 1. Current Tax | 0.11 | 0.51 |
| | 2. MAT Credit Availed/(Entitlement) | (0.07) | (0.51) |
| | 3. Deferred Tax | 0.99 | 0.06 |
| VI | Profit/(Loss) for the Year | (0.13) | 2.94 |
| VII | Earning Per Equity Share: (In ₹) | | |
| | Basic | (0.01) | 0.23 |
| | Diluted | (0.01) | 0.23 |

Note: The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF CASH FLOW

(₹ in million)

| Particulars | | FOR THE YEAR ENDED MARCH 31, 2015 | FOR THE YEAR ENDED MARCH 31, 2014 |
|-------------|---|--|--|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | 0.90 | 3.00 |
| | Add / (Less) : | | |
| | Interest Income | (0.50) | (0.98) |
| | Dividend | (0.57) | (0.57) |
| | Profit on Sale of Investments | (0.72) | (3.38) |
| | | (1.79) | (4.93) |
| | OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | (0.89) | (1.93) |
| | Adjustment for : | | |
| | Trade and other Receivables | (13.15) | (5.65) |
| | Trade Payable & Other Current Liabilities | (0.05) | (0.12) |
| | | (13.20) | (5.77) |
| | CASH GENERATED FROM OPERATIONS | (14.09) | (7.70) |
| | Add / (Less) : | | |
| | Direct Taxes Paid/ Refund | 0.41 | 0.83 |
| | NET CASH FROM OPERATING ACTIVITIES | (13.68) | (6.87) |
| B. | CASH FLOW FROM INVESTING ACTIVITIES : | | |
| | Interest Received | 0.50 | 0.98 |
| | Dividend | 0.57 | 0.57 |
| | Sale of Investment | 10.72 | 6.21 |
| C. | NET CASH FROM INVESTING ACTIVITIES | 11.79 | 7.76 |
| | CASH FLOW FROM FINANCING ACTIVITIES : | | |
| | NET CASH USED IN FINANCING ACTIVITIES | - | - |
| | NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (1.89) | 0.89 |
| | CASH AND CASH EQUIVALENTS - Opening Balance | 2.18 | 1.29 |
| | CASH AND CASH EQUIVALENTS - Closing Balance | 0.29 | 2.18 |

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

(₹ in million)

| PARTICULARS | FOR THE YEAR ENDED MARCH 31, 2015 | FOR THE YEAR ENDED MARCH 31, 2014 |
|------------------------------|--|--|
| - Cash in Hand | 0.20 | 0.01 |
| - Balance in Current Account | 0.09 | 2.17 |
| Total | 0.29 | 2.18 |

Note: The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

THE OFFER

The following table summarizes the Offer details:

| | |
|---|--|
| Offer | Up to [●] Equity Shares aggregating up to ₹ 4,250 million |
| <i>of which</i> | |
| Fresh Issue ⁽¹⁾ | Up to [●] Equity Shares aggregating up to ₹ 1,250 million |
| Offer for Sale ⁽²⁾⁽⁶⁾ | Up to [●] Equity Shares aggregating up to ₹ 3,000 million |
| | |
| QIB Portion ⁽⁴⁾⁽⁵⁾ | Not less than [●] Equity Shares |
| <i>of which</i> | |
| Anchor Investor Portion ⁽³⁾⁽⁵⁾⁽⁷⁾ | Up to [●] Equity Shares |
| <i>of which:</i> | |
| Available for allocation to Mutual Funds only | [●] Equity Shares |
| Balance for all QIBs including Mutual Funds | [●] Equity Shares |
| Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares |
| <i>of which</i> | |
| Available for allocation to Mutual Funds, i.e. only 5% of the Net QIB Portion | [●] Equity Shares |
| Balance of Net QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares |
| | |
| Non-Institutional Portion ⁽⁴⁾⁽⁷⁾ | Not more than [●] Equity Shares available for allocation on proportionate basis |
| | |
| Retail Portion ⁽⁴⁾⁽⁷⁾ | Not more than [●] Equity Shares available for allocation in accordance with the SEBI ICDR Regulations |
| | |
| Share capital - pre and post Offer | |
| | |
| Equity Shares outstanding prior to the Offer | 26,908,600 Equity Shares |
| | |
| Equity Shares outstanding after the Offer | [●] Equity Shares |
| | |
| Use of Net Proceeds by our Company | Please see “ <i>Objects of the Offer</i> ” on page 99 of this Draft Red Herring Prospectus for information about the use of proceeds from the Offer. |

- (1) The Board has approved the Offer pursuant to a resolution passed at its meeting held on February 3, 2018 and our Shareholders have approved the Offer pursuant to a special resolution passed at its meeting held on March 3, 2018, respectively.
- (2) The Promoter Selling Shareholder has approved the Offer for Sale pursuant to a resolution passed at its meeting held on July 10, 2018. The Promoter Selling Shareholder specifically confirms that the Equity Shares offered by it in the Offer for Sale are eligible in accordance with the SEBI ICDR Regulations.
- (3) Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for

domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Any unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIB (other than Anchor Investors) in proportion to their Bids. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. For details, please see “Offer Procedure” on page 394 of this DRHP. Allocation to all categories shall be made in accordance with SEBI ICDR Regulations.

- (4) In accordance with Regulation 26(2) read with Regulation 43 of SEBI ICDR Regulations, not more than 15% of the Offer shall be offered to NIIs and not more than 10% of the Offer should be Allotted to RIBs.*
- (5) 5% of the Net QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only, and the Net QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders (excluding Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price, in terms of SEBI ICDR Regulations. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.*
- (6) In accordance with Regulation 26(2), at least 75% of the Offer to public shall be Allotted on a proportionate basis to QIBs, failing which our Company and the Promoter Selling Shareholder shall ensure that application monies are refunded forthwith. In the event of undersubscription in the Offer, Equity Shares issued pursuant to Fresh Issue shall be Allotted prior to Equity Shares offered pursuant to Offer for Sale.*
- (7) Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis. The allocation to each Retail Individual Bidder shall not be less than minimum Bid Lot, subject to availability of shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis.*

For further details, please see “Terms of the Offer” and “Offer Procedure” on pages 384 and 394 of this Draft Red Herring Prospectus, respectively.

GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name of 'Hitkari Finvest Private Limited' on March 22, 1995. It was thereafter renamed as 'AR Venture Funds Management Private Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on April 6, 2005, which was later converted from a private limited company to a public limited company under the Companies Act, 1956, with the name 'AR Venture Funds Management Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on March 8, 2007. Subsequently, 'AR Venture Funds Management Limited' was converted to a private limited company with the name 'AR Venture Funds Management Private Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on July 7, 2015. Thereafter, 'AR Venture Funds Management Private Limited' was again converted to a public limited company with name 'AR Venture Funds Management Limited', and a fresh certificate of incorporation consequent upon a change of name was issued by the RoC on April 3, 2017. Subsequently 'AR Venture Funds Management Limited' was renamed as 'Anand Rathi Wealth Services Limited' and received a fresh certificate of incorporation from the RoC on July 6, 2017. For further details, in relation to change in name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 162 of this Draft Red Herring Prospectus.

For details of the business of our Company, please see "*Our Business*" on page 142 of this Draft Red Herring Prospectus.

Registered Office

4th floor, Silver Metropolis
Jai Coach Compound, Opposite Bimbisar Nagar
Goregaon (East), Mumbai 400063
Maharashtra
Telephone: +91 (22) 4001 3700
Facsimile: +91 (22) 4001 3770
Website: www.arwealth.in
Email: csarwsl@rathi.com
CIN: U67120MH1995PLC086696
Registration Number: 086696

For details relating to changes to the address of our Registered Office, please see "*History and Certain Corporate Matters - Changes to the address of the Registered Office of our Company*" on page 162 of this Draft Red Herring Prospectus.

Corporate Office

11th Floor, Times Tower
Kamala City, Senapati Bapat Marg
Lower Parel, Mumbai 400013
Maharashtra
Telephone: +91 (22) 4047 7000
Facsimile: +91 (22) 4047 7070

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, situated at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India.

Board of Directors

The following table sets out the details regarding our Board as on the date of filing of this Draft Red Herring Prospectus:

| Name and Designation | DIN | Address |
|--|------------|--|
| Mr. Anand Rathi <i>Chairman and Non-Executive Director</i> | 00112853 | A-274, Kalpataru Horizon, S. K. Ahire Marg, Worli, Mumbai 400 018 |
| Mr. Pradeep Gupta <i>Non-Executive Director</i> | 00040117 | 301-C, Beaumonde Tower, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 |
| Mr. Amit Rathi <i>Managing Director</i> | 00029791 | A-274, Kalpataru Horizon, S. K. Ahire Marg, Worli, Mumbai 400 018 |
| Mr. Rakesh Rawal <i>Executive Director</i> | 02839168 | Flat No F-3 Spencer Court, No. 05 Spencer Road, Frazer Town, Bengaluru 560 005 |
| Mr. Mohan Tanksale <i>Independent Director</i> | 02971181 | C-3105, 31 st Floor, Oberoi Exquisite, Goregaon (East), Mumbai 400 063 |
| Mr. Ramesh Chandak <i>Independent Director</i> | 00026581 | 1202, Shrushti Towers, Behind Bengal Chemical Building, Old Prabhadevi Road, Prabhadevi, Mumbai 400 025 |
| Mr. Kishan Gopal Somani <i>Independent Director</i> | 00014648 | 163, Tagore Park, Dr. Mukherjee Nagar, Model Town, Delhi 110 009 |
| Ms. Sudha Navandar <i>Independent Director</i> | 02804964 | Flat no.603,604/209, Anita Kutir CHS, HIG Colony, 90 feet road, Opposite State Bank of India, Near Ganpati Mandir, Ghatkopar (East) Mumbai 400 075 |

For further details in relation to our Directors, please see “*Our Management*” on page 169 of this Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Dilip Balakrishnan

4th floor, Silver Metropolis
Jai Coach Compound, Opposite Bimbisar Nagar
Goregaon (East), Mumbai 400063
Maharashtra
Telephone: +91 (22) 4001 3700
Facsimile: +91 (22) 4001 3770
Email: csarwsl@rathi.com

Chief Financial Officer

Mr. Rajesh Bhutara

4th floor, Silver Metropolis
Jai Coach Compound, Opposite Bimbisar Nagar
Goregaon (East), Mumbai 400063
Maharashtra
Telephone: +91 (22) 4001 3700
Facsimile: +91 (22) 4001 3770
Email: rajeshbhutra@rathi.com

Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer, the BRLMs and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, quoting the full details such as the name and address of the sole or First Bidder, date and number of the Bid cum Application Form, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, name and address of the relevant Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Promoter Selling Shareholder - ARFSL

For details of the Promoter Selling Shareholder, please see "Our Promoters and Promoter Group" on page 186 of this Draft Red Herring Prospectus.

| Book Running Lead Managers | |
|---|---|
| Equirus Capital Private Limited 12 th Floor, C Wing, Marathon Futurex N.M. Joshi Marg, Lower Parel Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 4332 0600 Facsimile: +91 (22) 4332 0601 Email: arwsl.ipo@equirus.com Investor Grievance Email: investorsgrievance@equirus.com Website: www.equirus.com Contact Person: Mr. Ankesh Jain/ Mr. Gaurav Phadke SEBI Registration Number: INM000011286 | Jefferies India Private Limited 42/43, 2 North Avenue Maker Maxity, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Telephone: +91 (22) 4356 6000 Facsimile: +91 (22) 6765 5595 Email: arwsl.ipo@jefferies.com Investor Grievance Email: jipl.grievance@jefferies.com Website: www.jefferies.com Contact Person: Mr. Jayaraman Ganapathy SEBI Registration Number: INM000011443 |

| Syndicate members | | |
|-------------------|-----|-----|
| [•] | [•] | [•] |

| Legal Counsel to our Company as to Indian law | Legal Counsel to the BRLMs as to Indian law |
|---|---|
|---|---|

| | |
|--|---|
| <p>AZB & Partners</p> <p>AZB House Peninsula Corporate Park Ganpatrao Kadam Marg Lower Parel, Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 6639 6880 Facsimile: +91 (22) 6639 6888</p> | <p>J. Sagar Associates</p> <p>Vakils House 18 Sprott Road Ballard Estate Mumbai 400 001 Maharashtra, India Telephone: +91 (22) 4341 8600 Facsimile: +91 (22) 4341 8617</p> |
|--|---|

| |
|--|
| <p>Special International Legal Counsel to the BRLMs</p> |
| <p>Squire Patton Boggs Singapore LLP</p> <p>10 Collyer Quay #03-01/03 Ocean Financial Centre Singapore 049315 Republic of Singapore Telephone: +65 6922 8668 Facsimile: +65 6922 8650</p> |

| |
|--|
| <p>Registrar to the Offer</p> |
| <p>Link Intime India Private Limited</p> <p>C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Telephone: +91 (22) 4918 6200 Facsimile: +91 (22) 4918 6195 Email: arwsl.ipo@linkintime.co.in Investor Grievance Email: arwsl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration Number INR000004058</p> |

| | | |
|---|---|---|
| <p>Escrow Collection Banks</p> | | |
| <table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> ● </td> <td style="width: 50%; text-align: center;"> ● </td> </tr> </table> | ● | ● |
| ● | ● | |

| | | |
|---|---|---|
| <p>Refund Bank(s)</p> | | |
| <table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> ● </td> <td style="width: 50%; text-align: center;"> ● </td> </tr> </table> | ● | ● |
| ● | ● | |

| | | |
|---|---|---|
| <p>Public Offer Account Bank(s)</p> | | |
| <table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> ● </td> <td style="width: 50%; text-align: center;"> ● </td> </tr> </table> | ● | ● |
| ● | ● | |

| |
|--|
| <p>Statutory Auditor of our Company</p> |
| <p>M/s. Khimji Kunverji & Co., Chartered Accountants</p> <p>Sunshine Tower, Level 19 Senapati Bapat Marg Elphinstone Road, Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 6143 7333 Facsimile: +91 (22) 2208 9978 Email: info@kkc.in</p> |

ICAI Firm Registration Number: 105146W
Peer Review Number: 008246

| Bankers to our Company | |
|---|---|
| HDFC Bank Limited Fort Branch, Mumbai Telephone: +91 (22) 6657 3541 Facsimile: +91 (22) 2270 1616 Email: sujit.kurup@hdfcbank.com Website: www.hdfcbank.com Contact person: Mr. Sujit Kurup | IDFC Bank Limited Naman Chambers, C-32, G-Block Bandra-Kurla Complex Bandra East, Mumbai 400 051 Telephone: +91 (22) 7132 5634 Facsimile: +91 (22) 2222 2362 Email: wbo.bkc@idfcbank.com / amit.maheshwari@idfcbank.com Website: www.idfcbank.com Contact person: Mr. Amit Maheshwari |
| Bank of India Ground Floor P.J. Tower, Fort Mumbai 400 001 Telephone: +91 (22) 2272 2394 Facsimile: +91 (22) 2272 1782 Email: stockexchange.mumbaisouth@bankofindia.co.in pradeep.singh2@bankofindia.co.in Website: www.bankofindia.co.in Contact person: Mr. Pradeep Kumar Singh | |

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs under the BTI Regulations for the ASBA process in accordance with the SEBI ICDR Regulations is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For details of the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and as updated from time to time, please refer to the above mentioned link.

Syndicate SCSB Branches

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of ASBA Forms from the members of the Syndicate is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time.

Registered Brokers/ Registrar and Share Transfer Agents/ CDPs

The list of the Registered Brokers, Registrar and Share Transfer Agents and CDPs, eligible to accept ASBA Forms at the Broker Centres, Designated RTA Locations and Designated CDP Locations respectively, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm for Registered Brokers and <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and https://www.nse-india.com/products/content/equities/ipos/asba_procedures.htm for Registrar and Share Transfer Agents and CDPs, as updated from time to time.

For further details, please see “Offer Procedure” on page 394 of this Draft Red Herring Prospectus.

Inter-se allocation of responsibilities:

The responsibilities and co-ordination by the BRLMs for various activities in the Offer are as follows:

| Sr. No. | Activity | Responsibilities | Co-ordination |
|----------------|--|-------------------------|----------------------|
| 1. | Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, size of offer, allocation between primary and secondary, etc. | Equirus & Jefferies | Equirus |
| 2. | Due diligence of our Company's operations/ management/ business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of RHP, Prospectus and RoC filing of the same, follow up and coordination till final approval from all regulatory authorities | Equirus & Jefferies | Equirus |
| 3. | Drafting and approval of statutory advertisement and application forms | Equirus & Jefferies | Equirus |
| 4. | Drafting and approval of other publicity material including non-statutory advertisement, corporate advertisement, brochure, etc. including media monitoring and filing of and media compliance report | Equirus & Jefferies | Jefferies |
| 5. | Appointment of all other intermediaries (e.g. Registrar(s), Printer(s) and Banker(s) to the Offer, Advertising agency etc.) including coordinating all agreements to be entered with such parties | Equirus & Jefferies | Jefferies |
| 6. | Preparation of roadshow presentation and FAQs | Equirus & Jefferies | Jefferies |
| 7. | International Institutional Marketing; allocation of investors for meetings and finalizing road show schedules | Equirus & Jefferies | Jefferies |
| 8. | Domestic Institutional Marketing (including banks/ mutual funds); allocation of investors for meetings and finalizing road show schedules | Equirus & Jefferies | Equirus |
| 9. | Non-Institutional Marketing of the Offer, which will cover, inter alia, - Formulating marketing strategies, preparation of publicity budget - Finalizing Media and PR strategy - Finalizing centres for holding conferences for brokers etc. - Finalizing collection centres; and - Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material | Equirus & Jefferies | Equirus |
| 10. | Retail Marketing of the Offer, which will cover, inter alia, - Formulating marketing strategies, preparation of publicity budget - Finalizing Media and PR strategy - Finalizing centres for holding conferences for brokers etc. | Equirus & Jefferies | Equirus |

| Sr. No. | Activity | Responsibilities | Co-ordination |
|---------|--|---------------------|---------------|
| | <ul style="list-style-type: none"> - Finalizing collection centres; and - Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material | | |
| 11. | Managing the book and finalization of pricing in consultation with the Company and the Promoter Selling Shareholder | Equirus & Jefferies | Jefferies |
| 12. | Coordination with Stock-Exchanges for book building software, bidding terminals etc. | Equirus & Jefferies | Equirus |
| 13. | Post-offer activities, managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue, management of escrow accounts, finalization of the basis of allotment based on technical rejections, listing of instruments, demat credit and refunds/ unblocking of funds, payment of the applicable STT, coordination with SEBI and Stock Exchanges for refund of 1% security deposit and coordination with various agencies connected with the post-offer activity such as registrars to the offer, bankers to the offer, SCSBs, including responsibility for execution of underwriting arrangements, as applicable | Equirus & Jefferies | Equirus |

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor, namely, M/s. Khimji Kunverji & Co, Chartered Accountants, to include its name, as required under Section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and to be named as an “Expert”, as defined under the Companies Act, 2013, in respect of the reports of their (i) examination reports, each dated September 1, 2018 on our Restated Consolidated Financial Information and our Restated Standalone Financial Information; and (ii) their report dated September 24, 2018 on the Statement of Tax Benefits, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent from the valuation agent, Ekistic Advisory, in respect of its report of September 2018, titled “*Valuation Opinion for Property Purchase*” for outright purchase of commercial property for office operations by our Company and to be named as an “Expert”, as defined under the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Further, our Company has received written consent from the architect, Archilab Design Solutions Private Limited, to include its name, in this Draft Red Herring Prospectus and to be named as an “Expert”, as defined under the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Monitoring Agency

Our Company shall appoint a Monitoring Agency for the Offer prior to registration of the Red Herring Prospectus in accordance with SEBI ICDR Regulations.

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of equity shares, credit rating is not required.

Trustees

As this is an Offer of equity shares, the appointment of trustees is not required.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band. The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and Mumbai editions of the Marathi newspaper [●], (which are widely circulated English, Hindi and Marathi newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered Office is located) at least five Working Days prior to the Offer Opening Date. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, after the Offer Closing Date.

All Bidders, except for Anchor Investors, are mandatorily required to use the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Investors bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Offer Period and withdraw their Bids until the Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs in the Net QIB Portion will be on proportionate basis and allocation to the Anchor Investors will be on a discretionary basis.

For further details, please see “*Offer Procedure*” on page 394 of this Draft Red Herring Prospectus.

Our Company and the Promoter Selling Shareholder will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Offer. Our Company and the Promoter Selling Shareholder have appointed the BRLMs to manage the Offer and procure Bids for the Offer.

The Book Building Process and the Bidding process under the SEBI ICDR Regulations are subject to change from time to time. Investors are advised to make their own judgment through this process prior to submitting a Bid.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process, please see “*Offer Procedure - Part B - Illustration of the Book Building and Price Discovery Process*” on page 429 of this Draft Red Herring Prospectus.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approval from each of the Stock Exchanges, which our Company shall apply for after Allotment.

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details, please see “Offer Structure” and “Offer Procedure” on pages 390 and 394 of this Draft Red Herring Prospectus, respectively.

Offer Programme

For details on the Offer Programme, please see “Terms of the Offer” on page 384 of this Draft Red Herring Prospectus.

Underwriting Agreement

After determination of the Offer Price and allocation of the Equity Shares, but prior to filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholder intend to enter into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

| Details of the Underwriters | Indicated Number of Equity Shares to be Underwritten | Amount Underwritten (in ₹ million) |
|-----------------------------|--|------------------------------------|
| [●] | [●] | [●] |
| [●] | [●] | [●] |
| [●] | [●] | [●] |
| Total | [●] | [●] |

The above-mentioned amount is indicative and will be finalised after determination of the Offer Price and finalisation of the ‘Basis of Allotment’ in accordance with the SEBI ICDR Regulations.

Based on the representations and undertakings provided by the Underwriters, in the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and our Company and the Promoter Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters after the determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)

| | | Aggregate value | nominal | Aggregate value at Offer Price |
|----|---|--------------------|-------------|-----------------------------------|
| A) | AUTHORISED SHARE CAPITAL | | | |
| | 40,000,000 Equity Shares | | 200,000,000 | |
| B) | ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER | | | |
| | 26,908,600 Equity Shares | | 134,543,000 | |
| C) | PRESENT OFFER | | | |
| | Public offer of up to [●] Equity Shares aggregating up to ₹ 4,250 million | | | |
| | <i>Comprising:</i> | | | |
| | 1. Fresh Issue of up to [●] Equity Shares | | [●] | 1,250,000,000 |
| | 2. Offer for Sale of up to [●] Equity Shares | | [●] | 3,000,000,000 |
| D) | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER | | | |
| | [●] Equity Shares | | [●] | |
| E) | SECURITIES PREMIUM ACCOUNT | | | |
| | Before the Offer | | 251,970,727 | |
| | After the Offer | | [●] | |

(a) Details of changes to our Company's authorised share capital since incorporation:

| Sr. No. | Date of AGM/ EGM | Change in authorised share capital |
|---------|-------------------|---|
| 1. | February 20,1999 | The authorized share capital of ₹ 100,000 comprising 10,000 equity shares of face value of ₹ 10 each was increased to ₹ 2,600,000 comprising 260,000 equity shares of face value of ₹ 10 each. |
| 2. | June 6, 2016 | The authorized share capital of ₹ 2,600,000 comprising 260,000 equity shares of face value of ₹ 10 each was increased to ₹ 102,600,000 comprising 10,260,000 equity shares of face value of ₹ 10 each. |
| 3. | September 2, 2016 | The authorized share capital of ₹ 102,600,000 comprising 10,260,000 equity shares of face value of ₹ 10 each was increased to ₹ 150,000,000 comprising 15,000,000 equity shares of face value of ₹ 10 each. |
| 4. | March 3, 2018 | The authorized share capital of ₹ 150,000,000 comprising 15,000,000 equity shares of face value of ₹ 10 each was increased to ₹ 200,000,000 comprising 20,000,000 equity shares of face value of ₹ 10 each. |
| 5. | August 14, 2018 | 20,000,000 equity shares of face value of ₹ 10 each was sub-divided into 40,000,000 Equity Shares of face value of ₹ 5 each. |

(b) The Offer has been authorised by our Board pursuant to a resolution dated February 3, 2018 and the Offer has been approved by our Shareholders pursuant to their resolution dated March 3, 2018.

(c) The Promoter Selling Shareholder, *i.e.* Anand Rathi Financial Services Limited has consented to the inclusion of up to [●] Equity Shares aggregating up to ₹ 3,000 million in the Offer for Sale by way of its board resolution dated July 10, 2018.

Notes to Capital Structure

1. Share capital history

(a) History of Equity Share capital of our Company

The following table sets forth the history of the Equity Share capital of our Company:

| Date of allotment | Number of Equity Shares | Face value (₹) | Issue price per Equity Share (₹) | Nature of consideration | Reasons for allotment | Cumulative number of Equity Shares | Cumulative paid up Equity Share capital (₹) |
|--------------------------------|-------------------------|----------------|----------------------------------|-------------------------|---|------------------------------------|---|
| February 28, 1995 [#] | 2 | 10 | 10 | Cash | Subscription to MoA ⁽¹⁾ | 2 | 20 |
| February 25, 1997 | 1,000 | 10 | 10 | Cash | Further allotment ⁽²⁾ | 1,002 | 10,020 |
| March 30, 1999 | 155,700 | 10 | 50 | Cash | Further allotment ⁽³⁾ | 156,702 | 1,567,020 |
| August 26, 2000 | 30,000 | 10 | 50 | Cash | Further allotment ⁽⁴⁾ | 186,702 | 1,867,020 |
| March 14, 2003 | 8,000 | 10 | 50 | Cash | Further allotment ⁽⁵⁾ | 194,702 | 1,947,020 |
| August 8, 2016 | 6,230,464 | 10 | N.A. | N.A. | Bonus issue of equity shares in the ratio of 1:32 equity shares for each equity share held by a Shareholder as on August 8, 2016 ⁽⁶⁾ | 6,425,166 | 64,251,660 |
| September 19, 2016 | 4,371,000 | 10 | 10 | Cash | Private Placement ⁽⁷⁾ | 10,796,166 | 107,961,660 |
| October 25, 2016 | 2,169,834 | 10 | 10 | Cash | Private Placement ⁽⁸⁾ | 12,966,000 | 129,660,000 |
| January 9, 2017 | 34,000 | 10 | 10 | Cash | Private Placement ⁽⁹⁾ | 13,000,000 | 130,000,000 |
| January 19, 2017 | 50,000 | 10 | 10 | Cash | Private Placement ⁽¹⁰⁾ | 13,050,000 | 130,500,000 |
| May 3, 2017 | 40,000 | 10 | 750 | Cash | Private Placement ⁽¹¹⁾ | 13,090,000 | 130,900,000 |
| May 3, 2017 | 300,300 | 10 | 750 | Cash | Private Placement ⁽¹²⁾ | 13,390,300 | 133,903,000 |
| March 15, 2018 | 52,740 | 10 | 10 | Cash | Allotment pursuant to ESOP 2017 ⁽¹³⁾ | 13,443,040 | 134,430,400 |
| August 10, 2018 | 11,260 | 10 | 10 | Cash | Allotment pursuant to ESOP 2017 ⁽¹⁴⁾ | 13,454,300 | 134,543,000 |
| August 14, 2018 | N.A. | 5 | N.A. | N.A. | Sub-division of equity shares ⁽¹⁵⁾ | 26,908,600 | 134,543,000 |

(#) Date of subscription to the MoA.

(1) Initial subscription to the MoA by Mr. Om Prakash Soni for 1 equity share of face value of ₹ 10 each and Mr. Siddharth Jadhav for 1 equity share of face value of ₹ 10 each.

(2) Allotment of 400 equity shares of face value of ₹ 10 each to Mr. Vishal Laddha, allotment of 100 equity shares of face value of ₹ 10 each to Mr. M. L. Aggarwal and allotment of 500 equity shares of face value of ₹ 10 each to Mr. Roop Kishor Bhootra.

(3) Allotment of 20,000 equity shares of face value of ₹ 10 each to Gerard Viegas Finvest Private Limited, allotment of 75,700 Equity Shares to Preetrj Finvest Private Limited, allotment of 9,000 Equity Shares to Metro Woven Sacks Private Limited, allotment of 24,000 equity shares of face value of ₹ 10 each to Rukmani Mercantile Private Limited, allotment of 17,000 equity shares of face value of ₹ 10 each to Rukmani Agencies Private Limited, allotment of 10,000 Equity Shares to Yash Securities Private Limited.

(4) Allotment of 10,000 equity shares of face value of ₹ 10 each to Amalgamated Comm. Traders Private Limited, allotment of 10,000 equity shares of face value of ₹ 10 each to Mr. P. K. Goyal, allotment of 7,000 equity shares of face value of ₹ 10 each to Ms. Navrati Gupta and allotment of 3,000 equity shares of face value of ₹ 10 each to Ms. Pratiba Goyal.

(5) Allotment of 8,000 equity shares of face value of ₹ 10 each to Ms. Vimlaben Jayantilal Shah

(6) Allotment of 6,230,464 equity shares of face value of ₹ 10 each to Anand Rathi Financial Services Limited.

(7) Allotment of 1,810,000 equity shares of face value of ₹ 10 each to Mr. Anand Rathi, allotment of 540,000 equity shares of face value of ₹ 10 each to Mrs. Supriya Rathi, allotment of 240,000 equity shares of face value of ₹ 10 each to

- Navratan Mal Gupta HUF, allotment of 250,000 equity shares of face value of ₹ 10 each to Pradeep Kumar Gupta HUF, allotment of 500,000 equity shares of face value of ₹ 10 each to Mr. Pradeep Kumar Gupta, allotment of 360,000 equity shares of face value of ₹ 10 each to Ms. Priti Gupta, allotment of 484,000 equity shares of face value of ₹ 10 each to Mr. Rakesh Rawal, allotment of 110,000 equity shares of face value of ₹ 10 each to Mr. Feroze Azeez, allotment of 22,000 equity shares of face value of ₹ 10 each to Mr. Sumeet Vaid, allotment of 55,000 equity shares of face value of ₹ 10 each to Mr. Jugal Mantri.
- (8) Allotment of 1,117,880 equity shares of face value of ₹ 10 each to Mr. Anand Rathi, allotment of 40,000 equity shares of face value of ₹ 10 each to Navratan Mal Gupta HUF, allotment of 60,000 equity shares of face value of ₹ 10 each to Pradeep Kumar Gupta HUF, allotment of 255,254 equity shares of face value of ₹ 10 each to Mr. Pradeep Kumar Gupta, allotment of 140,000 equity shares of face value of ₹ 10 each to Ms. Priti Gupta, allotment of 470,000 equity shares of face value of ₹ 10 each to Jaipur Securities Private Limited, allotment of 86,700 equity shares of face value of ₹ 10 each to Mr. Rakesh Rawal.
- (9) Allotment of 20,000 equity shares of face value of ₹ 10 each to Mr. Feroze Azeez, allotment of 10,000 equity shares of face value of ₹ 10 each to Mr. Jugal Mantri and allotment of 4,000 equity shares of face value of ₹ 10 each to Anand Rathi Capital Advisors Private Limited.
- (10) Allotment of 50,000 equity shares of face value of ₹ 10 each to Mr. Feroze Azeez.
- (11) Allotment of 40,000 equity shares of face value of ₹ 10 each to Amit Capital and Securities Private Limited.
- (12) Allotment of 300,300 equity shares of face value of ₹ 10 each to 83 allottees, comprising 700 equity shares of face value of ₹ 10 each to Ms. Aarti Desikan, 700 equity shares of face value of ₹ 10 each to Mr. Abhishek Kumar, 700 equity shares of face value of ₹ 10 each to Mr. Abhishek Rastogi, 700 equity shares of face value of ₹ 10 each to Mr. Akhil Mathur, 3,350 equity shares of face value of ₹ 10 each to Mr. Amitabh Shankarlal Lara, 700 equity shares of face value of ₹ 10 each to Mr. Amol Vijay Mane, 8,000 equity shares of face value of ₹ 10 each to Mr. Anil Ramesh, 700 equity shares of face value of ₹ 10 each to Mr. Animesh Kashinath, 700 equity shares of face value of ₹ 10 each to Ms. Ankit Kalra, 3,300 equity shares of face value of ₹ 10 each to Ms. Anupama Ashok Shenoy, 2,000 equity shares of face value of ₹ 10 each to Mr. Arijit Gautam Mukherjee, 1,350 equity shares of face value of ₹ 10 each to Mr. Arjun Guhathakurta, 700 equity shares of face value of ₹ 10 each to Ms. Arti Wadhwa Bhalla, 14,000 equity shares of face value of ₹ 10 each to Mr. Chandramouli J, 700 equity shares of face value of ₹ 10 each to Mr. Chirag Ramesh Muni, 7,000 equity shares of face value of ₹ 10 each to Ms. Daksha Amlani, 700 equity shares of face value of ₹ 10 each to Mr. Debarshi Dutta, 950 equity shares of face value of ₹ 10 each to Mr. Devashish Arora, 14,000 equity shares of face value of ₹ 10 each to Mr. Devesh Nayel, 14,000 equity shares of face value of ₹ 10 each to Ms. Divya Sreenivasan, 6,700 equity shares of face value of ₹ 10 each to Mr. Feroze Azeez, 1,400 equity shares of face value of ₹ 10 each to Mr. Firdous Shareff, 1,000 equity shares of face value of ₹ 10 each to Mr. Gaurav Khosla, 700 equity shares of face value of ₹ 10 each to Ms. Gayathri Gangadharan, 1,400 equity shares of face value of ₹ 10 each to Mr. George Verghese, 700 equity shares of face value of ₹ 10 each to Mr. Goutham Somayaji, 1,000 equity shares of face value of ₹ 10 each to Mr. Hardev Singh Saini, 700 equity shares of face value of ₹ 10 each to Mr. Harshad Dongre, 950 equity shares of face value of ₹ 10 each to Mr. Hrishikesh Palve, 1,350 equity shares of face value of ₹ 10 each to Mr. Jasmeet Singh Kumar, 700 equity shares of face value of ₹ 10 each to Ms. Jyoti Jalhotra, 700 equity shares of face value of ₹ 10 each to Mr. Kalpesh Girish Koradia, 14,000 equity shares of face value of ₹ 10 each to Mr. Karan Mangla, 700 equity shares of face value of ₹ 10 each to Mr. Karl Tata, 700 equity shares of face value of ₹ 10 each to Mr. Karna Prabhakar Patil, 700 equity shares of face value of ₹ 10 each to Mr. Kedar Bhatt, 14,000 equity shares of face value of ₹ 10 each to Mr. Krishnakumar Natrajan, 700 equity shares of face value of ₹ 10 each to Mr. Kunaal George Philip, 28,000 equity shares of face value of ₹ 10 each to Mr. Kurugod Shettar Ravi, 1,000 equity shares of face value of ₹ 10 each to Mr. Manish Srivastava, 700 equity shares of face value of ₹ 10 each to Ms. Meenu Bagree, 700 equity shares of face value of ₹ 10 each to Mr. Mohit Mehta, 700 equity shares of face value of ₹ 10 each to Ms. Nidhi Parakh, 2,000 equity shares of face value of ₹ 10 each to Mr. Niraj Kumar, 700 equity shares of face value of ₹ 10 each to Ms. Padmini BS, 1,350 equity shares of face value of ₹ 10 each to Mr. Parama Ghosh, 700 equity shares of face value of ₹ 10 each to Mr. Piyush Dungarpuria, 2,700 equity shares of face value of ₹ 10 each to Ms. Ponam Verma Raghuvanshi, 700 equity shares of face value of ₹ 10 each to Ms. Pratti Rajgopal, 700 equity shares of face value of ₹ 10 each to Ms. Protima Ravindra, 14,000 equity shares of face value of ₹ 10 each to Mr. R. Vaikunta Ramasubramaniam, 14,000 equity shares of face value of ₹ 10 each to Mr. Ramesh Sundaresan, 14,000 equity shares of face value of ₹ 10 each to Mr. Ravishankar Balraman, 700 equity shares of face value of ₹ 10 each to Mr. Rayasam Kuldeep, 700 equity shares of face value of ₹ 10 each to Ms. Sabita Krishnakumar, 700 equity shares of face value of ₹ 10 each to Ms. Sangishetty Uma Maheshwar, 700 equity shares of face value of ₹ 10 each to Mr. Sanjay Rao, 700 equity shares of face value of ₹ 10 each to Mr. Saswat Mishra, 700 equity shares of face value of ₹ 10 each to Mr. Saumil Pabari, 1,400 equity shares of face value of ₹ 10 each to Mr. Shiv Kumar Damani, 700 equity shares of face value of ₹ 10 each to Mr. Shivraj Ghorpade, 2,000 equity shares of face value of ₹ 10 each to Ms. Shubbida Jagtiani Randhawa, 700 equity shares of face value of ₹ 10 each to Mr. Shyam Sunder Kakani, 1,400 equity shares of face value of ₹ 10 each to Mr. Siddhartha Bhaduri, 2,000 equity shares of face value of ₹ 10 each to Ms. Sonali Rawal, 1,000 equity shares of face value of ₹ 10 each to Ms. Sonam Samir Bhagat, 700 equity shares of face value of ₹ 10 each to Ms. Sriram Iyer, 1,350 equity shares of face value of ₹ 10 each to Mr. Subhendu Bhushan Harichandan, 700 equity shares of face value of ₹ 10 each to Mr. Sudha Thilak Nath, 14,000 equity shares of face value of ₹ 10 each to Sunshine Trust, 700 equity shares of face value of ₹ 10 each to Mr. Suraj Sinha, 1,400 equity shares of face value of ₹ 10 each to

Mr. Swapan Chakraborty, 700 equity shares of face value of ₹ 10 each to Mr. Swapnil Gokul Amritkar, 5,600 equity shares of face value of ₹ 10 each to Ms. Swetha Manot, 1,350 equity shares of face value of ₹ 10 each to Mr. Tushar Singh, 1,000 equity shares of face value of ₹ 10 each to Ms. Urvasi Maheshwari, 700 equity shares of face value of ₹ 10 each to Mr. Uttam Kumar, 7,000 equity shares of face value of ₹ 10 each to Mr. Vadanikal Mathada Harsha Vardhana, 700 equity shares of face value of ₹ 10 each to Mr. Vijay Kumar Singh, 4,000 equity shares of face value of ₹ 10 each to Mr. Vimalathithan Natarajan Duraiswamy, 28,000 equity shares of face value of ₹ 10 each to Mr. Vinayak Kurugod Shettar, 700 equity shares of face value of ₹ 10 each to Mr. Vishal Deshpande and 13,300 equity shares of face value of ₹ 10 each to Mr. Yash Agrawal.

- (13) Allotment of 52,740 equity shares of face value of ₹ 10 each to 29 allottees, comprising 700 equity shares of face value of ₹ 10 each to Ms. Aarti Desikan, 320 equity shares of face value of ₹ 10 each to Mr. Akhil Mathur, 940 equity shares of face value of ₹ 10 each to Mr. Anil Ramesh, 640 equity shares of face value of ₹ 10 each to Mr. Arijit Mukherjee, 1,860 equity shares of face value of ₹ 10 each to Mr. Arjun Guha, 800 equity shares of face value of ₹ 10 each to Mr. Chethan Shenoy, 420 equity shares of face value of ₹ 10 each to Mr. Chirag Muni, 800 equity shares of face value of ₹ 10 each to Mr. Dilip Balakrishnan, 4,080 equity shares of face value of ₹ 10 each to Ms. Divya Sreenivasan, 26,000 equity shares of face value of ₹ 10 each to Mr. Feroze Azeed, 1,220 equity shares of face value of ₹ 10 each to Mr. Firdous Sharieff, 700 equity shares of face value of ₹ 10 each to Mr. Gaurav Khosla, 580 equity shares of face value of ₹ 10 each to Mr. Karna Patil, 920 equity shares of face value of ₹ 10 each to Mr. Kedar G Bhatt, 940 equity shares of face value of ₹ 10 each to Mr. Manish Srivastava, 420 equity shares of face value of ₹ 10 each to Mr. Mohamed Ishaq Amjad, 640 equity shares of face value of ₹ 10 each to Mr. Niraj Kumar, 880 equity shares of face value of ₹ 10 each to Ms. Nitika Gulati, 1,200 equity shares of face value of ₹ 10 each to Mr. Piyush Dungarpuria, 700 equity shares of face value of ₹ 10 each to Ms. Poonam Raghuvanshi, 580 equity shares of face value of ₹ 10 each to Ms. Protima Dhawan, 1,240 equity shares of face value of ₹ 10 each to Mr. Shailendra Khinda, 500 equity shares of face value of ₹ 10 each to Mr. Shiv Kumar Damani, 1,380 equity shares of face value of ₹ 10 each to Ms. Shubbida Jagtiani Randhawa, 340 equity shares of face value of ₹ 10 each to Mr. Shyam Sunder Kakani, 620 equity shares of face value of ₹ 10 each to Ms. Sonam Samir Bhagat, 640 equity shares of face value of ₹ 10 each to Mr. Subhendu Harichandan, 400 equity shares of face value of ₹ 10 each to Mr. Suraj Sinha and 2,280 equity shares of face value of ₹ 10 each to Ms. Swetha Manot.
- (14) Allotment of 11,260 equity shares of face value of ₹ 10 each to seven allottees, comprising 4,000 equity shares of face value of ₹ 10 each to Mr. Roop Bhootra, 4,000 equity shares of face value of ₹ 10 each to Mr. Vishal Laddha, 1,200 equity shares of face value of ₹ 10 each to Mr. Rajkumar Jain, 600 equity shares of face value of ₹ 10 each to Mr. Shiv Kumar Damani, 600 equity shares of face value of ₹ 10 each to Mr. Girish Kumar Pungalia, 600 equity shares of face value of ₹ 10 each to Mr. Rajesh Bhutra, and 260 equity shares of face value of ₹ 10 each to Mr. Narendra Jain.
- (15) Pursuant to a circular resolution the Board has approved the sub-division of equity shares from face value of ₹10 per equity share to ₹ 5 per Equity Share on August 10, 2018 and shareholders' approval dated August 14, 2018.

Except as disclosed under 'Capital Structure – History of Equity Share capital of our Company' on page 82 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares in the last two years preceding the date of filing of this Draft Red Herring Prospectus.

(b) History of preference share capital of our Company

Our Company has not issued any preference shares since incorporation.

(c) Equity shares issued for consideration other than cash or out of revaluation reserves

Except for the bonus issuance of 6,230,464 equity shares of face value of ₹ 10 each on August 8, 2016, which was done out of the general reserves and surplus to the then existing shareholders of our Company, details of which are set out above on page 81 under – "Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company", our Company has not issued any equity shares for consideration other than cash or out of revaluation reserves since incorporation.

(d) Issuance of Equity Shares at a price lower than the Offer Price during the preceding one year

As of the date of this Draft Red Herring Prospectus, except for allotments of equity shares of face value of ₹ 10 each pursuant to the ESOP 2017 as set out in "Notes to Capital Structure – Share Capital History – History of Equity Share capital of our Company" on page 81 of this Draft Red Herring Prospectus, there have been no Equity Shares issued by our Company at a price that may be lower than the Offer Price during the preceding one year.

2. History of Build up, Contribution and Lock-in of Promoters' Shareholding

(a) Build up of Promoters' shareholding in our Company

Details of the build up of the equity shareholding of the Promoters in our Company are as follows:

| Name of the Promoters | Date of allotment/ transfer and when the Equity Shares were made fully paid up | Number of Equity Shares allotted/ transferred | Face value (₹) | Issue/ Acquisition/Sale Price per Equity Share (₹) | % of pre- Offer capital | % of post- Offer capital | Nature of consideration | Nature of Transaction |
|-----------------------|--|---|----------------|--|-------------------------|--------------------------|-------------------------|---------------------------|
| Mr. Anand Rathi | September 26, 2006 | 1* | 10 | N.A. | 0.00 | [●] | Cash | Transfer |
| | September 19, 2016 | 1,810,000 | 10 | 10 | 6.73 | [●] | Cash | Private Placement |
| | October 25, 2016 | 1,117,880 | 10 | 10 | 4.15 | [●] | Cash | Private Placement |
| | January 16, 2017 | (65,000) | 10 | 10 | 0.24 | [●] | Cash | Transfer |
| | January 16, 2017 | (325,000) | 10 | 10 | 1.21 | [●] | Cash | Transfer |
| | November 23, 2017 | (100,000) | 10 | 800 | 0.37 | [●] | Cash | Transfer |
| | January 23, 2018 | (300,000) | 10 | N.A. | 1.11 | [●] | N.A. | Transfer by way of a gift |
| | March 16, 2018 | (1,250) | 10 | N.A. | 0.00 | [●] | N.A. | Transfer by way of a gift |
| | March 16, 2018 | (1,250) | 10 | N.A. | 0.00 | [●] | N.A. | Transfer by way of a gift |
| | March 16, 2018 | (1,250) | 10 | N.A. | 0.00 | [●] | N.A. | Transfer by way of a gift |
| | June 25, 2018 | (300,000) | 10 | N.A. | 1.11 | [●] | N.A. | Transfer by way of a gift |
| | June 25, 2018 | (1,250) | 10 | N.A. | 0.00 | [●] | N.A. | Transfer by way of a gift |
| | June 25, 2018 | (1,250) | 10 | N.A. | 0.00 | [●] | N.A. | Transfer by way of a gift |
| | June 25, 2018 | (1,250) | 10 | N.A. | 0.00 | [●] | N.A. | Transfer by way of a gift |
| | July 9, 2018 | (1) [#] | 10 | N.A. | 0.00 | [●] | N.A. | Transfer |
| July 12, 2018 | (1,250) | 10 | 800 | 0.00 | [●] | N.A. | Transfer | |
| Sub-total (A) | | 3,658,260[®] | 5 | | 13.60 | [●] | | |
| Mr. Pradeep Gupta | September 19, 2016 | 500,000 | 10 | 10 | 1.86 | [●] | Cash | Private Placement |
| | October 25, 2016 | 255,254 | 10 | 10 | 0.95 | [●] | Cash | Private Placement |
| Sub-total (B) | | 1,510,508[®] | 5 | | 5.61 | [●] | | |

| Name of the Promoters | Date of allotment/ transfer and when the Equity Shares were made fully paid up | Number of Equity Shares allotted/ transferred | Face value (₹) | Issue/ Acquisition/Sale Price per Equity Share (₹) | % of pre- Offer capital | % of post- Offer capital | Nature of consideration | Nature of Transaction |
|-----------------------|--|---|----------------|--|-------------------------|--------------------------|-------------------------|-----------------------|
| ARFSL | March 14, 2003 | 14,000 | 10 | 60 | 0.05 | [●] | Cash | Transfer |
| | March 14, 2003 | 75,700 | 10 | 60 | 0.28 | [●] | Cash | Transfer |
| | April 11, 2005 | (89,700) | 10 | 50 | 0.33 | [●] | Cash | Transfer |
| | February 27, 2006 | 154,702 | 10 | 50 | 0.57 | [●] | Cash | Transfer |
| | September 26, 2006 | (1)* | 10 | N.A. | 0.00 | [●] | Cash | Transfer |
| | September 26, 2006 | (1)* | 10 | N.A. | 0.00 | [●] | Cash | Transfer |
| | September 26, 2006 | (1)* | 10 | N.A. | 0.00 | [●] | Cash | Transfer |
| | September 26, 2006 | (1)* | 10 | N.A. | 0.00 | [●] | Cash | Transfer |
| | December 28, 2015 | 20,000 | 10 | 50 | 0.07 | [●] | Cash | Transfer |
| | May 11, 2016 | 20,000 | 10 | 125 | 0.07 | [●] | Cash | Transfer |
| | August 8, 2016 | 6,230,464 | 10 | N.A. | 23.15 | [●] | N.A. | Bonus issue |
| | March 30, 2017 | (325,000) | 10 | 750 | 1.21 | [●] | Cash | Transfer |
| | June 30, 2017 | (14,000) | 10 | 750 | 0.05 | [●] | Cash | Transfer |
| | July 4, 2017 | (4,000) | 10 | 750 | 0.01 | [●] | Cash | Transfer |
| | July 7, 2017 | (4,000) | 10 | 750 | 0.01 | [●] | Cash | Transfer |
| | August 28, 2017 | (6,700) | 10 | 750 | 0.02 | [●] | Cash | Transfer |
| | March 12, 2018 | (4,375) | 10 | 800 | 0.01 | [●] | Cash | Transfer |
| | March 12, 2018 | (3,125) | 10 | 800 | 0.01 | [●] | Cash | Transfer |
| | March 12, 2018 | (3,125) | 10 | 800 | 0.01 | [●] | Cash | Transfer |
| | March 12, 2018 | (6,250) | 10 | 800 | 0.02 | [●] | Cash | Transfer |
| April 4, 2018 | (6,875) | 10 | 800 | 0.03 | [●] | Cash | Transfer | |
| April 4, 2018 | (3,125) | 10 | 800 | 0.01 | [●] | Cash | Transfer | |

| Name of the Promoters | Date of allotment/ transfer and when the Equity Shares were made fully paid up | Number of Equity Shares allotted/ transferred | Face value (₹) | Issue/ Acquisition/Sale Price per Equity Share (₹) | % of pre- Offer capital | % of post- Offer capital | Nature of consideration | Nature of Transaction |
|-----------------------|--|---|----------------|--|-------------------------|--------------------------|-------------------------|-----------------------|
| | June 12, 2018 | (6,300) | 10 | 800 | 0.02 | [●] | Cash | Transfer |
| | June 14, 2018 | 1 [#] | 10 | N.A. | 0.00 | [●] | N.A. | Transfer |
| | July 9, 2018 | 1 [#] | 10 | N.A. | 0.00 | [●] | N.A. | Transfer |
| | July 10, 2018 | 1 [#] | 10 | N.A. | 0.00 | [●] | N.A. | Transfer |
| | July 13, 2018 | 1 [#] | 10 | N.A. | 0.00 | [●] | N.A. | Transfer |
| | July 11, 2018 | (2,500) | 10 | 800 | 0.01 | [●] | Cash | Transfer |
| | July 27, 2018 | (1,250) | 10 | 800 | 0.00 | [●] | Cash | Transfer |
| Sub-total (C) | | 12,069,082[@] | 5 | | 44.85 | [●] | | |
| Total (A+B+C) | | 17,237,850 | 5 | | 64.06 | [●] | | |

*Transfer of beneficial interest by ARFSL.

[#]Transfer of beneficial interest back to ARFSL.

[@]Each equity share with a face value of ₹ 10 each was sub-divided into two equity shares with a face value of ₹ 5 each, pursuant to a shareholders' resolution dated August 14, 2018.

(b) Shareholding of our Promoters, Promoter Group and directors of our Promoter

Details of the Equity Shares held by our Promoters and members of the Promoter Group are as follows:

| S No. | Name of shareholder | Pre-Offer | | Post-Offer | |
|--|-----------------------------------|-------------------------|----------------|-------------------------|----------------|
| | | Number of Equity Shares | Percentage (%) | Number of Equity Shares | Percentage (%) |
| Promoters | | | | | |
| 1. | Mr. Anand Rathi | 3,658,260 | 13.60 | [●] | [●] |
| 2. | Mr. Pradeep Gupta | 1,510,508 | 5.61 | [●] | [●] |
| 3. | ARFSL | 12,069,082 | 44.85 | [●] | [●] |
| | Total | 17,237,850 | 64.06 | [●] | [●] |
| Promoter Group (other than Promoters) | | | | | |
| 1. | Mr. Amit Rathi | 1,200,000 | 4.46 | [●] | [●] |
| 2. | Jaipur Securities Private Limited | 420,000 | 1.56 | [●] | [●] |
| 3. | M/s. N.M. Gupta & Sons | 480,000 | 1.78 | [●] | [●] |
| 4. | M/s. P.K. Gupta & | 500,000 | 1.86 | [●] | [●] |

| S No. | Name of shareholder | Pre-Offer | | Post-Offer | |
|---------------------------|-----------------------|-------------------------|----------------|-------------------------|----------------|
| | | Number of Equity Shares | Percentage (%) | Number of Equity Shares | Percentage (%) |
| | Sons | | | | |
| 5. | Ms. Priti Gupta | 1,000,000 | 3.72 | [●] | [●] |
| 6. | Ms. Phool Kaur Mundra | 5,000 | 0.02 | [●] | [●] |
| 7. | Ms. Tara Mantri | 5,000 | 0.02 | [●] | [●] |
| | Total | 3,610,000 | 13.42 | [●] | [●] |
| Directors of ARFSL | | | | | |
| 1. | Mr. Anand Rathi | 3,658,260 | 13.60 | [●] | [●] |
| 2. | Mr. Pradeep Gupta | 1,510,508 | 5.61 | [●] | [●] |
| 3. | Mr. Amit Rathi | 1,200,000 | 4.46 | [●] | [●] |
| | Total | 6,368,768 | 23.67 | [●] | [●] |

(c) *Details of Promoters' contribution locked-in for three years*

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer paid up capital of our Company held by our Promoters, shall be considered as the minimum Promoters' contribution and locked-in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 17,237,850 Equity Shares out of which up to [●] Equity Shares are being offered by our Promoter, ARFSL (“**Promoter's Contribution**”), in the Offer for Sale and, accordingly, up to [●] Equity Shares are eligible for Promoter's Contribution.

The lock-in of the Promoter's Contribution would be created as per applicable law and procedures, and details of the same shall also be provided to the Stock Exchanges before the listing of the Equity Shares.

Our Promoter, ARFSL, has consented to the inclusion of such number of Equity Shares held by it, in aggregate, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations. Details of the Promoter's Contribution are as provided below:

| Name of the Promoter | Number of Equity Shares locked-in | Date of allotment / transfer | Face value (₹) | Issue / Acquisition price per Equity Shares (₹) | Nature of transaction | % of the fully diluted pre-Offer Capital |
|----------------------|-----------------------------------|------------------------------|----------------|---|-----------------------|--|
| ARFSL | [●] | [●] | 5 | [●] | [●] | [●] |

Note: The above table will be updated at the time of registering the Red Herring Prospectus with the ROC

The Promoter's Contribution has been or shall be brought in to the extent of not less than the specified minimum lot and from persons defined as Promoters, as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's Contribution under the SEBI ICDR Regulations. In this computation, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- (i) Equity Shares acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets is involved in such transactions; or (b) arising from bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) Equity Shares acquired by the Promoter Selling Shareholder during the preceding one year from the date of this Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares will be offered to the public in the Offer; and
- (iii) Equity Shares held by the Promoter Selling Shareholder that are subject to any pledge.

Further, our Company has not been formed by the conversion of a partnership firm into a company and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialised form and may be transferred to and among the Promoters, members of the promoter group, subject to continuation of the lock-in in the hands of the transferees for the remaining period and in compliance with the Takeover Regulations as applicable.

3. Details of Equity Share Capital locked-in for one year

Except for (a) the Promoter's Contribution, which shall be locked-in as above; (b) the Equity Shares which will be transferred by way of the Offer for Sale; and (c) the Equity Shares held by the eligible employees of our Company, which were allotted to such employees pursuant to exercise of options under ESOP 2017, the entire pre-Offer capital of our Company shall be locked in for a period of one year from the date of Allotment.

4. Other requirements in respect of lock-in

In terms of the SEBI ICDR Regulations, Equity Shares held by the Promoters and subjected to lock-in requirements, may be pledged with a scheduled commercial bank or public financial institution as collateral if the loan has been granted by such bank or institution subject to the following conditions:

- (a) if the Equity Shares are locked-in for three years as part of minimum promoters' contribution, the loan has been granted for the purpose of financing one or more of the objects of the Offer and the pledge of the Equity Shares is one of the terms of the sanction of the loan; or
- (b) if the Equity Shares are locked-in for one year in terms of the SEBI ICDR Regulations and the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Further, in terms of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and among members of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with provisions of the Takeover Regulations, and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired. The Equity Shares held by persons other than the Promoters prior to the Offer, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, other than Promoters, subject to the continuation of the lock-in in the hands of the transferee and compliance with the provisions of the Takeover Regulations.

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by the Promoters or the Promoter Group have been pledged.

5. Lock-in of Equity Shares allotted to Anchor Investors

Further, Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

6. Our shareholding pattern

The table below represents the equity shareholding pattern of our Company before the Offer.

| Category (I) | Category of shareholder (II) | Nos. of shareholders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | |
|--------------|-------------------------------|----------------------------|--|--|---|---|--|---|--------------|-------------------|--|--|----------------------------------|---------|---|---------|---|---------------------------------|
| | | | | | | | | No. of Voting Rights | | | | | Total as a % of (A+B+C) | No. (a) | As a % of total Shares held (b) | No. (a) | | As a % of total Shares held (b) |
| | | | | | | | | Class eg.: X | Class eg.: Y | Total | | | | | | | | |
| (A) | Promoters & Promoter Group | 10 | 20,847,850 | - | - | 20,847,850 | 77.48 | 20,847,850 | - | 20,847,850 | 77.48 | - | - | - | - | - | 20,847,850 | |
| (B) | Public | 209 | 6,060,750 | - | - | 6,060,750 | 22.52 | 6,060,750 | - | 6,060,750 | 22.52 | - | - | - | - | - | 6,060,750 | |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (C2) | Shares held by Employee Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total | 219 | 26,908,600 | - | - | 26,908,600 | 100 | 26,908,600 | - | 26,908,600 | 100 | - | - | - | - | - | 26,908,600 | |

Our Company will file the shareholding pattern, in the form prescribed under Regulation 31 of the Listing Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the website of Stock Exchanges before the commencement of trading of the Equity Shares.

7. Shareholding of our Directors and/or Key Management Personnel

Except as set forth below, none of our Directors or Key Management Personnel hold any Equity Shares or any other convertible securities as on the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Director/Key Management Personnel | Pre-Offer % | | Post-Offer % | |
|------------------|---|-------------------------|----------------|-------------------------|----------------|
| | | Number of Equity Shares | Percentage (%) | Number of Equity Shares | Percentage (%) |
| Directors | | | | | |
| 1. | Mr. Anand Rathi | 3,658,260 | 13.60 | [•] | [•] |
| 2. | Mr. Pradeep Gupta | 1,510,508 | 5.61 | [•] | [•] |
| 3. | Mr. Amit Rathi | 1,200,000 | 4.46 | [•] | [•] |
| 4. | Mr. Rakesh Rawal | 1,141,400 | 4.24 | [•] | [•] |
| 5. | Mr. Dilip Balakrishnan | 4,100 | 0.02 | [•] | [•] |
| 6. | Mr. Rajesh Bhutara | 1,200 | 0.00 | [•] | [•] |
| Total | | 7,515,468 | 27.93 | [•] | [•] |

8. As on the date of this Draft Red Herring Prospectus, our Company has 219 Equity Shareholders.

9. Top 10 shareholders

(a) Our top 10 Equity Shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus are as follows:

| S. No. | Shareholder | Pre-Offer | | | | | Post-Offer | | | | |
|--------|------------------------|----------------------------------|----------------|------------------------------|---|-------------------------------------|----------------------------------|----------------|-----------------------------|---|-------------------------------------|
| | | Number of Equity Shares held (A) | Percentage (%) | Number of ESOPs out-standing | Number of Equity Shares issuable upon exercise of ESOP out-standing (B) | Total number of Equity Shares (A+B) | Number of Equity Shares held (C) | Percentage (%) | Number of ESOP out-standing | Number of Equity Shares issuable upon exercise of ESOP out-standing (D) | Total number of Equity Shares (C+D) |
| 1. | ARFSL | 12,069,082 | 44.85 | N.A. | N.A. | 12,069,082 | [●] | [●] | N.A. | N.A. | [●] |
| 2. | Mr. Anand Rathi | 3,658,260 | 13.60 | N.A. | N.A. | 3,658,260 | [●] | [●] | N.A. | N.A. | [●] |
| 3. | Mr. Pradeep Gupta | 1,510,508 | 5.61 | N.A. | N.A. | 1,510,508 | [●] | [●] | N.A. | N.A. | [●] |
| 4. | Mr. Amit Rathi | 1,200,000 | 4.46 | N.A. | N.A. | 1,200,000 | [●] | [●] | N.A. | N.A. | [●] |
| 5. | Mr. Rakesh Rawal | 1,141,400 | 4.24 | N.A. | N.A. | 1,141,400 | [●] | [●] | N.A. | N.A. | [●] |
| 6. | Ms. Priti Gupta | 1,000,000 | 3.72 | N.A. | N.A. | 1,000,000 | [●] | [●] | N.A. | N.A. | [●] |
| 7. | Ms. Supriya Rathi | 980,000 | 3.64 | N.A. | N.A. | 980,000 | [●] | [●] | N.A. | N.A. | [●] |
| 8. | M/s P. K. Gupta & Sons | 500,000 | 1.86 | N.A. | N.A. | 500,000 | [●] | [●] | N.A. | N.A. | [●] |
| 9. | M/s N. M. Gupta & Sons | 480,000 | 1.78 | N.A. | N.A. | 480,000 | [●] | [●] | N.A. | N.A. | [●] |
| 10. | Mr. Feroze Azeez | 424,000 | 1.58 | 104,000 | 208,000 | 632,000 | [●] | [●] | [●] | [●] | [●] |
| | Total | 22,963,250 | 85.34 | 104,000 | 208,000 | 23,171,250 | [●] | [●] | [●] | [●] | [●] |

- (b) Our top 10 Equity Shareholders and the number of Equity Shares held by them 10 days prior to filing of this Draft Red Herring Prospectus were as follows:

| S. No. | Shareholder | Number of Equity Shares held (A) | Percentage (%) | Number of ESOPs outstanding | Number of Equity Shares issuable upon exercise of ESOPs outstanding (B) | Total number of Equity Shares (A+B) |
|--------|------------------------|----------------------------------|----------------|-----------------------------|---|-------------------------------------|
| 1. | ARFSL | 12,069,082 | 44.85 | N.A. | N.A. | 12,069,082 |
| 2. | Mr. Anand Rathi | 3,658,260 | 13.60 | N.A. | N.A. | 3,658,260 |
| 3. | Mr. Pradeep Gupta | 1,510,508 | 5.61 | N.A. | N.A. | 1,510,508 |
| 4. | Mr. Amit Rathi | 1,200,000 | 4.46 | N.A. | N.A. | 1,200,000 |
| 5. | Mr. Rakesh Rawal | 1,141,400 | 4.24 | N.A. | N.A. | 1,141,400 |
| 6. | Ms. Priti Gupta | 1,000,000 | 3.72 | N.A. | N.A. | 1,000,000 |
| 7. | Ms. Supriya Rathi | 980,000 | 3.64 | N.A. | N.A. | 980,000 |
| 8. | M/s P. K. Gupta & Sons | 500,000 | 1.86 | N.A. | N.A. | 500,000 |
| 9. | M/s N. M. Gupta & Sons | 480,000 | 1.78 | N.A. | N.A. | 480,000 |
| 10. | Mr. Feroze Azeez | 424,000 | 1.58 | 104,000 | 208,000 | 632,000 |
| | Total | 22,963,250 | 85.34 | 104,000 | 208,000 | 23,171,250 |

- (c) Our Company's equity Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus were as follows:

| S. No. | Shareholder | Number of equity shares of face value ₹ 10 each held (A) | Percentage (%) | Number of ESOP options granted | Number of equity shares of face value ₹ 10 each issuable upon exercise of ESOP options granted (B) | Total number of equity shares of face value ₹ 10 each (A+B) |
|--------|-----------------------|--|----------------|--------------------------------|--|---|
| 1. | ARFSL | 174,698 | 89.72 | N.A. | N.A. | 174,698 |
| 2. | Mr. Kaushal Kumbhat | 20,000 | 10.27 | N.A. | N.A. | 20,000 |
| 3. | Mr. Anand Rathi | 1* | 0.00 | N.A. | N.A. | 1* |
| 4. | Mr. Amit Rathi | 1* | 0.00 | N.A. | N.A. | 1* |
| 5. | Mr. Navratanmal Gupta | 1* | 0.00 | N.A. | N.A. | 1* |
| 6. | Ms. Supriya Rathi | 1* | 0.00 | N.A. | N.A. | 1* |
| | Total | 194,702 | 100.00 | N.A. | N.A. | 194,702 |

*Transfer of beneficial interest by ARFSL.

10. Employee Stock Option Scheme

Our Company has implemented a scheme called "Employees Stock Option Plan 2017" ("ESOP 2017"). ESOP 2017 was adopted pursuant to a resolution passed by the Board of Directors on November 28, 2016 and a

resolution passed by the Shareholders on December 26, 2016. ESOP 2017 came into effect from January 1, 2017.

Our Company, being an unlisted company, was not required to be compliant with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI SBEB Regulations**”). However, as of the date of this Draft Red Herring Prospectus, ESOP 2017 has been aligned with, and is in compliance with the provisions of, the SEBI SBEB Regulations to the extent applicable and relevant. The ESOP 2017 has been framed and accounted in accordance with the relevant accounting standards.

As on the date of this Draft Red Herring Prospectus, our Company has granted 320,000 options under ESOP 2017.

ESOP 2017:

| Particulars | Details | | | |
|---|---|-----------------|---|----------------------------|
| | FY | Date of grant | No. of options granted | Price per Equity Share (₹) |
| Options granted | Grant I | | | |
| | 2017-2018 | - | - | - |
| | 2016-2017 | January 1, 2017 | 320,000 | 10 |
| | 2015-2016 | - | - | - |
| | Total options granted | | 320,000 | |
| Pricing formula to value the option | Based on valuation from an independent valuer. The exercise price shall not exceed fair market value of equity shares of our Company on the date of grant | | | |
| Vesting period | After expiry of period of one year from the date of the grant and not later than five years from the date of grant of such options | | | |
| Options vested (excluding the options that have been exercised) | Nil | | | |
| Options exercised | 64,000 | | | |
| The total number of shares arising as a result of exercise of options (including options that have been exercised) | 128,000 (assuming sub-division of equity shares from face value ₹ 10 to ₹ 5) | | | |
| Options forfeited/ lapsed/ cancelled | Nil | | | |
| Variation of terms of options | Pursuant to a Nomination and Remuneration Committee resolution dated September 1, 2018, ESOP 2017 has been amended to reflect the sub-division of equity shares from face value of ₹ 10 each to Equity Shares of face value of ₹ 5 each. Accordingly, each option grantee upon exercise of the options shall be entitled to receive 2 Equity Shares for every option. To suit the requirements of SEBI SBEB Regulations and the applicability of statutes/ regulations to the extent so as to include those which are required for a listed company. To allow the transfer of options in case of demise to the nominee or to the successors to the will/legal heirs, as the case may be. In case of resignation of an Employee, both the ‘Vested’ and ‘Unvested’ Options shall lapse with immediate effect thereupon. | | | |
| Money realized by exercise of options | ₹ 640,000 | | | |
| Total number of options in force | 256,000 | | | |
| (i) Employee wise details of options granted to Directors/Key Management Personnel | Name of Company’s Director | | No. of options granted under ESOP Scheme | |
| | Nil | | | |
| | Name of the Key Management | | No. of options granted | |

| | | | | |
|--|---|-------------------------------|------------------|------------------|
| | Personnel | under ESOP Scheme | | |
| | Mr. Rajesh Bhutara | 3,000 | | |
| | Mr. Dilip Balakrishnan | 4,000 | | |
| (ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year | Name of the employees | No. of options granted | | |
| | Mr. Feroze Azeez | 130,000 | | |
| | Ms. Divya Sreenivasan | 20,400 | | |
| | Mr. Roop Bhutra | 20,000 | | |
| | Mr. Vishal Laddha | 20,000 | | |
| (iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | Mr. Feroze Azeez | 130,000 | | |
| Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard | Particulars | 31-Mar-18 | 31-Mar-17 | 31-Mar-16 |
| | Profit after tax as reported (₹ mn) | 503.36 | 8.99 | 1.57 |
| Difference, if any, between employee compensation cost calculated according using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options) | Add:- ESOP cost using the intrinsic value method | - | - | - |
| | Less:- ESOP cost using the fair value method | - | - | - |
| | Proforma profit after tax | 503.36 | 8.99 | 1.57 |
| | Earnings per share of the considering bonus issue and sub division of shares | | | |
| | Basic | | | |
| | As reported | 18.83 | 0.46 | 0.12 |
| | Diluted | | | |
| | As reported | 18.47 | 0.46 | 0.12 |
| Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock | N.A. | | | |
| Method and significant assumptions used by Independent Valuer to estimate the fair value of options granted during the year | | | | |
| Method used | Black-Scholes Option Pricing Model | | | |
| Risk free interest rate | 6.51% | | | |
| Exercise price | ₹ 10 | | | |
| Expected Life | 2.7 years | | | |
| Standard Deviation | 52.44% | | | |
| Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer | Nil | | | |

| | |
|---|-------------|
| <p>Intention to sell Equity Shares arising out of the ESOP Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)</p> | <p>Nil</p> |
| <p>Impact on the profits and on the Earnings Per Share of the last three years if the issuer had followed the accounting policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 in respect of options granted in the last three years.</p> | <p>N.A.</p> |

ESOP 2018:

Our Company has implemented a scheme called “Employees Stock Option Plan 2018” (“**ESOP 2018**”). ESOP 2018 was adopted pursuant to a resolution passed by the Board of Directors on February 3, 2018 and a resolution passed by the Shareholders on March 3, 2018. Our Company adopted ESOP 2018, which was effected from January 1, 2018. As on the date of this Draft Red Herring Prospectus, our Company has not granted any options pursuant to ESOP 2018.

Our Company, being an unlisted company, was not required to be compliant with the SEBI SBEB Regulations. However, as of the date of this Draft Red Herring Prospectus, ESOP 2018 has been aligned with, and is in compliance with the provisions of, the SEBI SBEB Regulations to the extent applicable and relevant. The ESOP 2018 has been framed and accounted in accordance with the relevant accounting standards.

11. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
12. Over-subscription to the extent of 10% of the Fresh Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot.
13. As on the date of filing of this Draft Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares in our Company.
14. Except for mutual funds sponsored by entities related to the BRLMs, if any, the BRLMs and any person related to the BRLMs cannot apply in the Offer under the Anchor Investor Portion.
15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Draft Red Herring Prospectus.
16. Except for the stock options granted under ESOP 2017 to employees, as defined under the SEBI ICDR Regulations, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares, or any other right which would entitle any person any option to receive Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.
17. Except for any issue of Equity Shares pursuant to exercise of stock options granted under ESOP 2017 or that may be granted under ESOP 2018, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
18. Except as disclosed in ‘Build up of Promoters’ shareholding in our Company’ herein above, and except the options granted pursuant to ESOP 2017, neither our Promoters, nor any of the members of our Promoter Group, for the directors of our Promoter, ARFSL, our Directors or their immediate relatives have purchased

or sold any securities of our Company or its Subsidiaries, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

19. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby members of our Promoter Group, directors of our Promoter, ARFSL, our Directors and their relatives may have financed the purchase of securities of our Company by any other person.
20. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of SEBI ICDR Regulations, through the Book Building Process in terms of Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be Allotted on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective bank accounts which will be blocked by the SCSBs, to participate in this Offer. Anchor Investors are not permitted to participate in the Offer through ASBA Process.
21. Except for any issue of Equity Shares pursuant to exercise of stock options granted under ESOP 2017 or that may be granted under ESOP 2018, our Company shall not, without the prior consent of the BRLMs, alter the capital structure for a period of six months from the Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
22. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or under Section 230 to Section 240 of the Companies Act, 2013 respectively.
23. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange.
24. Our Promoters and members of our Promoter Group will not submit Bids or otherwise participate in this Offer, except to the extent of offering the Offered Shares in the Offer for Sale.
25. The Equity Shares Allotted pursuant to the Offer shall be fully paid-up at the time of Allotment.
26. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
27. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
28. No payment, direct or indirect in the nature of discount, commission (excluding any underwriting commission that may be paid in terms of the Underwriting Agreement), and allowance or otherwise shall be

made either by our Company or Promoters, to the persons who are Allotted Equity Shares pursuant to the Offer.

- 29.** Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
- 30.** Our Company shall comply with such disclosures and accounting norms as specified by SEBI from time to time.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale by the Promoter Selling Shareholder.

Offer for Sale

The proceeds from the Offer for Sale (net of any Offer related expenses to be borne by the Promoter Selling Shareholder) shall be received by the Promoter Selling Shareholder, and our Company shall not receive any proceeds from the Offer for Sale.

Fresh Issue

The objects for which the Net Proceeds (as defined below) of the Fresh Issue will be utilized are as set forth below.

1. Purchase and furnishing of office premises in and around Lower Parel, Mumbai, Maharashtra;
2. Investment in the equity shares of our Subsidiary, ARWMPL, for upgradation and enhancement of software and other technology related expenses and further investment in the equity shares of its subsidiary, FIINFRA for upgradation and enhancement of software and other technology related expenses; and
3. General corporate purposes.

In addition to the above-mentioned Objects, our Company expects that the listing of its Equity Shares on the Stock Exchanges will, among other things, enhance its visibility, brand image and create a public market for its Equity Shares.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing business activities and the activities for which funds are being raised by our Company through the Fresh Issue.

Offer Proceeds

The details of the proceeds of the Offer are summarized below:

| Sr No | Particulars | Amount (₹million) |
|-------|--|-------------------|
| (a) | Gross proceeds of the Offer | 4,250.00 |
| (b) | (Less) Proceeds of the Offer for Sale (including the Offer expenses to the extent borne by the Promoter Selling Shareholder) | 3,000.00 |
| (c) | (Less) Expenses in relation to the Fresh Issue* | [●] |
| (d) | Net proceeds of the Fresh Issue (the “Net Proceeds”)* | [●] |

*To be finalised upon determination of the Offer Price.

Means of Finance

We propose to fund the requirements of the objects detailed above from the Net Proceeds and our internal accruals. Accordingly, Paragraph VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue) does not apply.

Our fund requirements and the deployment of funds for purchase and furnishing of office premises in and around Lower Parel, Mumbai, Maharashtra are based on:

1. a report dated September, 2018 and titled “*Valuation Opinion for Property Purchase*” for outright purchase of commercial property for office operations by our Company, prepared by Ekistic Advisory (“**Market Price Assessment Report**”); and
2. quotation dated September 17, 2018 from Archilab Design Solutions Private Limited for furnishing and civil works (“**Architect Quotation**”)

The Market Price Assessment Report and the Architect Quotation were placed before the IPO Committee and were approved pursuant to its resolution dated September 23, 2018.

As on the date of this Draft Red Herring Prospectus, we have not entered into any definitive agreements or placed any orders in relation to the proposed purchase and furnishing of office premises in and around Lower Parel, Mumbai, Maharashtra. Further, based on the validity of certain of the quotations, we may be required to obtain revised quotations prior to placing firm orders or entering into definitive agreements.

Our fund requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency.

Our estimates are based on current conditions and we may have to revise our estimates from time to time on account of variety of factors such as changes in our financial conditions, business and strategy and external factors such as market conditions, competitive environment and interest rate fluctuations, which may not be within the control of our management.

This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements may be financed through our internal accruals and/or incremental debt, as required.

If the actual utilization towards any of the objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required, and general corporate purposes, to the extent that the total amount to be utilized towards the general corporate purposes will not exceed 25% of the Gross Proceeds in compliance with the SEBI ICDR Regulations.

In the event that the estimated utilization out of the Net Proceeds in a Fiscal is not completely met, due to any reason, the same shall be utilized (in part or full) in the subsequent period as may be determined by our Company, in accordance with applicable law. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object *vis-à-vis* the utilization of Net Proceeds.

Utilization of Net Proceeds

The Net Proceeds will be utilised as set forth below collectively referred to as the “**Objects**”:

| Sr No | Particulars | Amount (₹million) |
|--------------|---|--------------------------|
| (a) | Purchase and furnishing of office premises in and around Lower Parel, Mumbai, Maharashtra | 750.00 |
| (b) | Investment in the equity shares of our Subsidiary, ARWMPL, for upgradation and enhancement of software and other technology related expenses and further investment in the equity shares of its subsidiary, FIINFRA for upgradation and enhancement of software and other technology related expenses | 200.00 |
| (c) | General corporate purposes* | [●] |
| | Total | [●] |

*To be finalised upon determination of the Offer Price.

Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set out below:

| Sr No. | Object | Total Estimated Costs (₹million) | Amount to be funded from Net Proceeds (₹million) | Amount proposed to be deployed from the Net Proceeds in (₹million) | | |
|--------------|---|---|--|---|-------------|----------------|
| | | | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
| 1. | Purchase and furnishing of office premises in and around Lower Parel, Mumbai, Maharashtra | 832.95 | 750.00 | 750.00 | Nil | Nil |
| 2. | Investment in the equity shares of our Subsidiary, ARWMPL, for upgradation and enhancement of software and other technology related expenses and further investment in the equity shares of its subsidiary, FIINFRA for upgradation and enhancement of software and other technology related expenses | 248.44 | 200.00 | 130.42 | 40.34 | 29.24 |
| 3. | General corporate purposes* | [●] | [●] | [●] | [●] | [●] |
| Total | | [●] | [●] | [●] | [●] | [●] |

*To be finalised upon determination of the Offer Price. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Details of the Objects

1. Purchase and furnishing of office premises in and around Lower Parel, Mumbai, Maharashtra

Currently our operations are spread across multiple offices in Mumbai and our corporate office at 11th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India, has been taken by us on lease. We propose to utilise ₹ 750.00 million from the Net Proceeds towards purchase and furnishing of a centralized office premises in and around Lower Parel, Mumbai, Maharashtra. We propose to purchase an office space with approximately 20,000 sq. ft. of carpet area located in or around Lower Parel, Mumbai, Maharashtra. We believe this will improve our operational efficiencies by bringing a large part of our operations at a single location, reduce our lease rental costs and reduce uncertainties and limitations associated with operating from multiple leased premises which are subject to the terms and conditions stipulated in leave and licence agreements, requiring periodic renewals.

We had appointed Ekistic Advisory, an approved valuer (Category ‘Immovable Property’) an independent valuer, (“**Independent Valuer**”) to undertake a feasibility and market price assessment for such proposed purchase of an office premises in and around Lower Parel, Mumbai, Maharashtra.

Further, for the purposes of furnishing of the new office premises, we have obtained a quotation from Archilab Design Solutions Private Limited (“**Archilab**”), who has submitted the architect Quotation.

The Market Price Assessment Report and the Architect Quotation were placed before the IPO Committee and was approved pursuant to its resolution dated September 23, 2018.

Estimated Costs

We propose to purchase an office space through an out-right sale in a completed and ready-for-possession project developed by a real-estate developer. Further, we propose to purchase an unfurnished office space, which we plan to furnish using services of third party vendors.

Please see below the break-up of our estimated costs:

(₹ in million)

| Particulars | Amount |
|---|---------------|
| Cost of purchase of office premises | 746.53 |
| Cost of furnishing of the office premises | 71.42 |
| Contingency costs | 15.00 |
| Total | 832.95 |

Cost of purchase of the office premises

Based on our requirements, and the Market Price Assessment Report, we have assumed an indicative cost per square feet for outright acquisition of such office premises, which comprises a cost estimate of ₹ 23,000 per sq. ft. for an office space measuring approximately 20,000 sq. ft. of carpet area (*chargeable area of 30,000 sq. ft.*) for approximately 300 employees which aggregates to ₹ 690.00 million. The aggregate consideration including registration and stamp duty charges would be approximately ₹ 746.53 million.

The detailed break-down of the estimated costs is set forth below.

| S. No. | Particulars | Estimated amount* (₹ in million) |
|--------|--|-------------------------------------|
| 1. | Purchase consideration for the 20,000 sq. ft office space (carpet area) | 690.00 |
| 2. | Registration and Stamp duty | 44.45 |
| 3. | Other expenses being in the nature of brokerage, transfer charges, utility charges, legal charges etc. | 12.08 |
| 4. | Total | 746.53 |

*Source: Report by Independent Valuer of September, 2018 which forms a part of Market Price Assessment Report.

Cost of furnishing of the office premises

We propose to buy an unfurnished office space and the estimated cost specified above for such purchase is based on considerations for an unfurnished office space. Such purchase requires us to install fixtures, fittings and furniture for the proposed 20,000 sq. ft. carpet area office premises and office space with a seating capacity for approximately 300 personnel. These fixtures, fittings and furniture include interior civil and carpentry works, modular furniture, chairs, carpets, electrical works, air conditioning systems, security systems including CCTV cameras, fire alarm system and network.

We have obtained a quotation from Archilab who has submitted Architect Quotation and we have prepared a cost estimate for the proposed installation of the fixtures, fittings and furniture based on the above quotation which aggregates to ₹ 71.42 million, exclusive of taxes and duties. The total estimated cost for the furnishing of office premises was placed before the IPO Committee and was approved pursuant to its resolution dated September 23, 2018.

The detailed break-down of the estimated cost for installation of the fixtures, fittings and furniture along with details of the quotation, as applicable, is set forth below.

(₹ million)

| Particulars | Amount |
|------------------------------------|--------|
| Interior civil and carpentry works | 32.89 |
| Modular furniture | 7.56 |
| Chairs | 2.34 |
| Carpets | 2.92 |
| Electricals | 5.82 |
| HVAC | 9.47 |
| Sprinkler system | 1.00 |
| Fire alarm system | 1.14 |
| Fire extinguishers | 0.22 |

| Particulars | Amount |
|------------------------------------|--------------|
| Fire signages | 0.09 |
| Network | 2.78 |
| CCTV/PA/Access control | 1.80 |
| Other minor work and contingencies | 3.40 |
| Total | 71.42 |

Contingency costs

We have also created a provision for contingency of ₹ 15.00 million (at the rate of approximately 21% of the total pre-tax cost of furnishing of the office premises) to cover taxes, duties and any increase in the estimated cost for the proposed installation of the fixtures, fittings and furniture.

Proposed schedule of implementation

We intend to complete the purchase and furnishing of office premises in Fiscal 2019. However, in case there is any delay in identification of the premises or in receipt of funds through the Offer, the implementation may be carried out either partially in Fiscal 2019 and Fiscal 2020 or completely in Fiscal 2020.

Funds deployed

As on the date of this Draft Red Herring Prospectus, we have only appointed the agencies for preparing the Market Assessment Reports and to provide quotations for furnishing of office premises. Accordingly, we have not incurred any costs towards the objects of the Fresh Issue. Further, R Kabra & Co., Chartered Accountants, have certified, pursuant to their certificate dated September 24, 2018, that as of that date, our Company has not deployed any funds towards purchase and furnishing of office premises in and around Lower Parel, Mumbai, Maharashtra.

Land

We do not need to separately purchase the land as we propose to purchase a completed and ready-for-possession office premises developed by a real estate developer.

Electricity and water requirements

We propose to purchase the office space through an out-right sale in a completed and ready-for-possession project developed by a real estate developer. Accordingly, such office space should already have electricity and water connections provided by such real estate developer.

Government and other approvals

We do not need any specific government or other approvals as we propose to purchase our office space in a completed and ready-for-possession project for which all the relevant government and other approvals would already have been obtained by the real estate developer.

2. Investment in the equity shares of our Subsidiary, ARWMPL, for upgradation and enhancement of software and other technology related expenses and further investment in the equity shares of its subsidiary, FIINFRA for upgradation and enhancement of software and other technology related expenses

We intend to utilise a part of the Net Proceeds amounting to ₹ 200.00 million to make an investment in the equity shares of our Subsidiary, ARWMPL. Of this, (i) ₹ 100.00 million is intended to be utilized towards financing of upgradation and enhancement of software and other technology related expenses, including towards DWM platform; and (ii) further investment of ₹ 100.00 million by ARWMPL in the equity shares of its subsidiary, FIINFRA for software and other technology related expenses, including towards OFA platform.

ARWMPL, our Subsidiary offers integrated wealth management solutions through our digital platform by innovative use of technology to interact with clients and help them kick-start the process of building long term wealth via online/mobile based services delivered by our Relationship Managers and client engagement

partners. For further details in relation to the business of ARWMPL, please see “*Our Business*” on page 142 of this Draft Red Herring Prospectus. As a part of its operations ARWMPL needs to continuously invest in technology infrastructure towards development of new features and support for the online/mobile based services. Key features currently available on DWM platform include:

- Mass customization;
- Clients interactions through video and technology;
- Quick service;
- Live monitoring;
- Cost-effectiveness; and
- Uniform customer experience.

In this regard, our Board has approved an investment of up to ₹ 250.00 million in ARWMPL at its meeting dated July 10, 2018. The board of ARWMPL has pursuant to their meeting held on September 21, 2018 approved an issuance of equity shares of up to ₹ 200.00 million to our Company, subject to the approval of its shareholders. The board of directors of ARWMPL has taken into account the valuation certificate dated September 21, 2018 provided by Mahesh Chandra & Associates, Chartered Accountants (registration number 112334W) and has approved an investment by ARWSL into ARWMPL at a price of ₹ 256 per equity share. Our IPO Committee has approved an investment of up to ₹ 200.00 million in ARWMPL through its resolution dated September 23, 2018.

Estimated costs of upgrading of software and other technology related expenses

ARWMPL has obtained quotations from various service providers for services such as software development, upgradation and maintenance of software, analytics, maintenance, development and upgradation and enhancement of its technology infrastructure, infrastructure support and product support which are valid as on the date of the Draft Red Herring Prospectus. Its various service providers include ARITPL which is a promoter group company and has provided services to us in the past as well. The proposed transaction as set out above will be at an arm’s length basis and ARWMPL has authorized the framework for the proposed transaction with ARITPL through resolution passed by its board of directors dated September 21, 2018.

The product development team will comprise of internal staff as well as personnel from various vendors including ARIPTL with whom ARWMPL has entered into a resource sharing arrangement. The estimated costs of upgrading and enhancement of software and other technology related expenses are as under:

| Object | Total Estimated Costs (₹million) | Amount to be funded from Net Proceeds (₹million) | Aggregate amount proposed to be deployed (₹ million) | | |
|--|-------------------------------------|---|---|-------------|-------------|
| | | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
| Infrastructure – Private cloud hosting, real time BCP/ DR | 34.26 | 34.26 | 11.80 | 11.23 | 11.23 |
| Dedicated team for application support, maintenance and enhancements | 25.20 | 25.20 | 8.40 | 8.40 | 8.40 |
| Content delivery network implementation for content caching | 6.26 | 6.26 | 2.09 | 2.09 | 2.09 |
| Integration with | 5.84 | 5.84 | 1.44 | 3.00 | 1.40 |

| Object | Total Estimated Costs (₹million) | Amount to be funded from Net Proceeds (₹million) | Aggregate amount proposed to be deployed (₹ million) | | |
|--|-------------------------------------|---|---|--------------|--------------|
| | | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
| eNACH/Payments platform | | | | | |
| Portfolio Analysis and Recommendation system | 5.28 | 5.28 | - | 5.28 | - |
| Online marketing tool integration and services | 5.04 | 5.04 | 2.50 | 1.27 | 1.27 |
| Others* | 34.95 | 18.12 | 4.59 | 9.07 | 4.45 |
| Total | 116.83 | 100.00 | 30.42 | 40.34 | 29.24 |

*Others comprises of objects with individual amount deployed lower than ₹ 5.0 million.

ARWMPL expects that the aforementioned expenses will help build new features which will help in increased adaption, acceptability and growth of business model. A few features sought to be built in include:

- Better analytic systems to drive data development;
- Client portfolio gap analysis;
- Self-service business intelligence portal;
- Automation of Systematic Investment Plans; and
- Digital marketing platform integration and Customer Relationship Management.

Further a part of expenses will be utilized towards supporting the existing technology infrastructure.

ARWMPL's expenses on technology for Fiscal 2017 and Fiscal 2018 were ₹ 154.52 million and ₹ 89.93 million, respectively.

Investment by ARWMPL in its Subsidiary, FIINFRA for upgradation and enhancement of software and other technology related expenses

FIINFRA, a wholly owned Subsidiary of ARWMPL offers a platform service for Independent Financial Advisors (“IFAs”) to service their clients and grow their business. This cloud-based platform provides mobile-first client reporting, online transactions and financial planning systems for IFAs and their clients, coupled with analytics. For further details in relation to the business of FIINFRA, please see “Our Business” on page 142 of this Draft Red Herring Prospectus.

ARWMPL intends to utilize a part of funds received as equity infusion amounting to ₹ 100.00 million to make an investment in the equity shares of FIINFRA. FIINFRA proposes to utilize the funds towards maintenance, development and upgrading of its technology infrastructure and OFA technology platform which should help in expanding its presence amongst the IFAs, improve client servicing and upgrading its digital platform which should provide a thrust to its business. The details of currently available features are as follows:

- Client reporting;
- Business dashboard;
- Client engagement;
- Online mutual fund transactions; and
- Goal planning.

In this regard, the board of ARWMPL has approved an investment of up to ₹ 100.00 million in FIINFRA at its meeting dated September 21, 2018. The board of FIINFRA has pursuant to their meeting held on September 21, 2018 approved an issuance of equity shares of up to ₹ 100.00 million to ARWMPL, subject to the approval of its shareholders. The board of directors of FIINFRA has taken into account the valuation certificate dated September 21, 2018 provided by Mahesh Chandra & Associates, Chartered Accountants (registration number 112334W) and has approved an investment by ARWMPL into FIINFRA at price of ₹ 432 per equity share.

Estimated Cost of Product Enhancement

FIINFRA has obtained quotations from various service providers for services such as software development, upgrading and maintenance of software, analytics, maintenance, development and upgrading of its technology infrastructure, infrastructure support and product support which are valid as on the date of this Draft Red Herring Prospectus. Its various service providers include ARITPL which is a promoter group company and has provided services to our Company in the past as well. The proposed transaction as set out above will be at an arm's length basis and FIINFRA has authorized the framework for the proposed transaction with ARITPL through resolution passed by its board of directors dated September 21, 2018.

The product development team will comprise of internal staff as well as personnel from various vendors including ARIPTL which whom FIINFRA has entered into a resource sharing arrangement. The estimated costs of upgrading of software and other technology related expenses are as under:

| Object | Total Estimated Costs (₹million) | Amount to be funded from Net Proceeds (₹million) | Aggregate amount proposed to be deployed (₹ million) | | |
|--|-------------------------------------|---|---|--------------|--------------|
| | | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
| Infrastructure – Private cloud hosting, real time BCP/ DR | 57.09 | 54.62 | 17.19 | 18.72 | 18.72 |
| Support for platform, applications, portals and websites, maintenance and small enhancements | 22.68 | 22.68 | 7.56 | 7.56 | 7.56 |
| Content delivery network implementation for content caching | 6.26 | 6.26 | 2.09 | 2.09 | 2.09 |
| Portfolio Analysis and Recommendation system | 6.00 | 6.00 | 6.00 | - | - |
| Migrating client and partner reporting (technology) | 5.40 | 5.40 | - | 5.40 | - |
| Online marketing tool integration and services | 5.04 | 5.04 | 2.50 | 1.27 | 1.27 |
| Others* | 29.13 | - | - | - | - |
| Total | 131.61 | 100.00 | 35.34 | 35.03 | 29.63 |

*Others comprises of objects with individual amount deployed lower than ₹ 5.0 million.

FIINFRA expects that the aforementioned expenses will help build new features as under which it believes are critical for increased adaption, acceptability and growth of business model:

- Multi-lingual client apps;
- Real-time payments platform;
- Systematic Investment Plan book management;

- Basket order execution using model portfolios; and
- Portfolio analysis and recommendation system.

Further a part of expenses will be utilized towards supporting the existing technology infrastructure.

FIINFRA's expenses on technology for Fiscal 2017 and Fiscal 2018 were ₹ 58.50 million and ₹ 33.35 million, respectively.

Means of finance

The total estimated costs of upgrading of software and other technology related expenses in ARWMPL as well as investment in FIINFRA is ₹ 200.00 million which will be funded by a combination of the Net Proceeds and internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 4(2)(g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Offer or through existing identifiable internal accruals.

As a result of these investments, our Company expects to gain from the improved prospects of DWM and OFA businesses and our increased beneficial ownership in both the companies.

3. General corporate purposes

We intend to deploy the balance Net Proceeds, if any, for general corporate purposes, as may be approved by our management, including but not restricted to marketing and business development expenses, expansion of existing office network and meeting exigencies and expenses incurred by our Company in the ordinary course of business as may be approved by the Board or a duly constituted committee thereof, subject to compliance of applicable law, including provisions of the Companies Act.

Our management, in accordance with the policies of our Board, will have flexibility in utilising the Net Proceeds for general corporate purposes, as mentioned above, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head, based on the business requirements of our Company and other relevant considerations, from time to time.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The Offer related expenses include, among others, fees payable to the BRLMs and legal counsel, underwriting commission, brokerage and selling commission, commission payable to Registered Brokers, Collecting RTAs and CDPs, SCSBs' fees, Escrow Banks' and Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All Offer related expenses (other than listing fees) shall be shared by our Company and the Promoter Selling Shareholder in proportion to the number of Equity Shares being issued or offered, as the case may be, by each of them in the Fresh Issue and the Offer for Sale, in accordance with applicable law. Any payments by our Company in relation to the Offer on behalf of the Promoter Selling Shareholder shall be reimbursed by the Promoter Selling Shareholder to our Company.

The estimated Offer related expenses are as under:

| S. No. | Activity | Estimated amount* (₹ in million) | As a % of total estimated Offer Related Expenses* | As a % of Offer Size* |
|--------|---|-------------------------------------|---|-----------------------|
| 1. | Fees payable to the BRLMs (including brokerage and selling commission) | [●] | [●] | [●] |
| 2. | Selling commission and processing fees for SCSBs ⁽¹⁾⁽³⁾ | [●] | [●] | [●] |
| 3. | Brokerage, selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾ | [●] | [●] | [●] |

| S. No. | Activity | Estimated amount* (₹ in million) | As a % of total estimated Offer Related Expenses* | As a % of Offer Size* |
|--------|--|-------------------------------------|---|-----------------------|
| 4. | Fees payable to the Registrar to the Offer | [●] | [●] | [●] |
| 5. | Others: | [●] | [●] | [●] |
| | i. Listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees and other regulatory expenses; | | | |
| | ii. Printing, stationery and other distribution expenses; | | | |
| | iii. Advertising and marketing for the Offer; and | | | |
| | iv. Miscellaneous including fees payable to the Auditor and the legal counsels | | | |
| | Total Estimated Offer Related Expenses | [●] | [●] | [●] |

* To be incorporated in the Prospectus after finalisation of the Offer Price.

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and portion for Non-Institutional Investors, which are directly procured by them would be as follows:

| | |
|---|--|
| Portion for Retail Individual Investors * | ₹ [●] per valid Bid cum Application Form (plus applicable taxes) |
| Portion for Non-Institutional Investors* | ₹ [●] per valid Bid cum Application Form (plus applicable taxes) |

*Based on valid Bid cum Application Forms

No additional processing/ uploading charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

(2) Processing fees payable to the SCSBs on the portion for Retail Individual Investors, portion for Non-Institutional Investors, which are procured by the members of the Syndicate/ Sub-Syndicate/ Registered Brokers/ RTAs/ CDPs and submitted to SCSBs for blocking would be as follows:

| | |
|---|--|
| Portion for Retail Individual Investors | ₹ [●] per valid Bid cum Application Forms* (plus applicable taxes) |
| Portion for Non-Institutional Investors | ₹ [●] per valid Bid cum Application Forms* (plus applicable taxes) |

*Based on valid Bid cum Application Forms

(3) Selling commission on the portion for Retail Individual Investors, the portion for Non-Institutional Investors which are procured by Syndicate Members (including their Sub-Syndicate Members) would be as follows:

| | |
|---|---|
| Portion for Retail Individual Investors | ₹ [●] per valid Bid cum Application Form* (plus applicable taxes) |
| Portion for Non-Institutional Investors | ₹ [●] per valid Bid cum Application Form* (plus applicable taxes) |

*Based on valid Bid cum Application Forms

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed amongst the Book Running Lead Managers, their respective Syndicate Members, our Company and Selling Shareholders before the opening of the Offer.

Bidding Charges: ₹ [●] per valid application bid by the syndicate

(4) Selling commission payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Investors, and portion for Non-Institutional Investors which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing, would be as follows:

| | |
|---|---|
| Portion for Retail Individual Investors | ₹ [●] per valid Bid cum Application Form* (plus applicable taxes) |
| Portion for Non-Institutional Investors | ₹ [●] per valid Bid cum Application Form* (plus applicable taxes) |

* Based on valid Bid cum Application Forms

Appraising Agency

None of the Objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any agency.

Bridge Loans

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including financing from group companies, any other short-term instrument like non-convertible debentures, commercial papers, etc., pending receipt of the Net Proceeds.

Interim Use of Net Proceeds

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, we confirm that we shall not use the Net Proceeds (or any part thereof) for buying, trading or otherwise dealing in any shares of any listed company or for any investment in equity markets.

Monitoring of Utilization of Funds

Our Company shall appoint a Monitoring Agency for monitoring the utilization of the Net Proceeds prior to the filing of the Red Herring Prospectus in terms of Regulation 16(2) of SEBI ICDR Regulations. Our Company will disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to the Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by the statutory auditors of our Company.

Further, in accordance with the Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating (i) material deviations, if any, in the utilisation of the Net Proceeds from the Objects as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee. In the event of any deviation in the use of Net Proceeds from the Objects, as stated above, our Company shall intimate the same to the Stock Exchanges without delay.

Any such change / deviation in the use of Net Proceeds from the Objects mentioned hereinabove, if any, shall be made as per the applicable laws and regulations.

Other Confirmations

Except for the proposed use of services of ARITPL, a member of our Promoter Group, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Companies. Accordingly, except for payments to ARITPL, no part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Management Personnel and the members of our Promoter Group or Group Companies.

Variation in Objects

In accordance with the provisions of the Companies Act, 2013, and the applicable rules thereunder, our Company shall not vary the Objects without our Company being authorised to do so by the shareholders by way of a special resolution. The notice issued to the shareholders shall simultaneously be published in the newspapers, one in English and one Marathi newspaper (Marathi being the vernacular language in the city where the registered office of our Company is situated). In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and such details of the notice, clearly indicating the justification for such variation, be published in accordance with the Companies Act, 2013. Pursuant to the Companies Act, 2013, the Promoters or controlling shareholders will be required to provide an exit offer to the shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and the SEBI ICDR Regulations.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. Investors should also refer to “*Our Business*”, “*Risk Factors*”, “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 142, 18, 207 and 331 of this Draft Red Herring Prospectus, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- a. One of the leading non-bank, wealth management services firms in India;
- b. Created and managing OFA - India’s leading tech platforms for IFAs;
- c. Our expertise lies in providing un-complicated and holistic solutions for our clients using highly standardised processes;
- d. Leveraging technology to target market opportunities in wealth management across client segments; and
- e. Strong Financial and Business Metrics.

For further details, please see “*Our Business – Our Competitive Strengths*” on page 145 of this Draft Red Herring Prospectus.

Quantitative factors

The information presented below relating to our Company is based on the Restated Financial Information prepared in accordance with Ind AS or Indian GAAP, as applicable for the respective financial years. For further details, see “*Financial Information*” on page 207 of this Draft Red Herring Prospectus

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and diluted earnings per share (“EPS”), as adjusted for changes in capital

As per Restated Standalone Financial Information:

| | Basic EPS (₹) | Diluted EPS (₹) | Weight |
|-------------------------|---------------|-----------------|--------|
| March 31, 2016 | 0.12 | 0.12 | 1 |
| March 31, 2017 | 0.46 | 0.46 | 2 |
| March 31, 2018 | 18.83 | 18.47 | 3 |
| Weighted Average | 9.59 | 9.41 | |

As per Restated Consolidated Financial Information:

| | Basic EPS (₹) | Diluted EPS (₹) | Weight |
|-------------------------|---------------|-----------------|--------|
| March 31, 2016 | N.A. | N.A. | N.A. |
| March 31, 2017 | (0.04) | (0.04) | 2 |
| March 31, 2018 | 17.31 | 16.97 | 3 |
| Weighted Average | 10.37 | 10.17 | |

Notes:

- (1) Earnings per share calculations are done in accordance with Ind AS 33 notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standard) Rules, 2015, as amended.

(2) The face value of each Equity Share is ₹5 each.

(3) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.

II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

| Particulars | P/E at the lower end of the Price Band (no. of times) | P/E at the higher end of the Price Band (no. of times) |
|--|---|--|
| Based on basic EPS for the financial year ended March 31, 2018 on the basis of Restated Standalone Financial Information | [●] | [●] |
| Based on basic EPS for the financial year ended March 31, 2018 on the basis of Restated Consolidated Financial Information | [●] | [●] |
| Based on diluted EPS for the financial year ended March 31, 2018 on the basis of Restated Standalone Financial Information | [●] | [●] |
| Based on diluted EPS for the financial year ended March 31, 2018 on the basis of Restated Consolidated Financial Information | [●] | [●] |

Industry P/E Ratio

As on date, there are no comparable listed companies in India engaged in the same line of business as our Company, hence comparison with industry peers are not applicable.

III. Average Return on Net worth (“RONW”)

As per Restated Standalone Financial Information:

| Fiscal/Period Ended | RONW (%) | Weight |
|-------------------------|---------------|--------|
| March 31, 2016 | 2.44% | 1 |
| March 31, 2017 | 6.42% | 2 |
| March 31, 2018 | 56.06% | 3 |
| Weighted Average | 30.58% | |

As per Restated Consolidated Financial Information:

| Fiscal/Period Ended | RONW (%) | Weight |
|-------------------------|---------------|--------|
| March 31, 2016 | N.A. | N.A. |
| March 31, 2017 | -0.56% | 2 |
| March 31, 2018 | 59.02% | 3 |
| Weighted Average | 35.19% | |

Notes:

- (1) Weighted average = Aggregate of year-wise weighted RONW divided by the aggregate of weights i.e. (RONW x Weight) for each year/Closing of weights
- (2) Return on Net Worth (%) = Restated Net Profit after tax/Restated Net Worth at the end of the year
- (3) Net worth is Equity share capital + Other Equity (including Security Premium, Retained Earnings, Share Options Outstanding Account and Other Comprehensive Income).

IV. Minimum return on total net worth after the Offer, required for maintaining pre-Offer Basic and Diluted EPS for the year ended March 31, 2018:

To maintain pre-Offer basic EPS

| Particulars | Standalone (%) | Consolidated (%) |
|--------------------|----------------|------------------|
| At the Floor Price | [●] | [●] |
| At the Cap Price | [●] | [●] |

To maintain pre-Offer diluted EPS

| Particulars | Standalone (%) | Consolidated (%) |
|--------------------|----------------|------------------|
| At the Floor Price | [●] | [●] |
| At the Cap Price | [●] | [●] |

V. Net asset value per Equity Share (face value of ₹ 5 each)

As per Restated Financial Information:

| NAV for Fiscal/Period Ended | Standalone (₹) | Consolidated (₹) |
|-----------------------------|----------------|------------------|
| 2016 | 165.27 | N.A. |
| 2017 | 5.36 | 4.99 |
| 2018 | 33.40 | 29.15 |

(1) Net Asset Value per Equity Share represents Restated Net worth at the end of the year / Closing number of equity shares as adjusted for the sub-division of the value of equity shares from ₹10 to ₹5.

(2) Net worth is Equity share capital + Other Equity (including Security Premium, Retained Earnings, Share Options Outstanding Account and Other Comprehensive Income).

VI. Comparison with listed industry peers

As on date, there are no listed entities whose business portfolio is comparable with that of our business and comparable to our scale of operations.

VII. The Offer Price is [●] times of the face value of the Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters. The face value of the Equity Shares is ₹ 5 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” on pages 18, 142, 331 and 207 of this Draft Red Herring Prospectus, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Date: September 24, 2018

To

The Board of Directors,
Anand Rathi Wealth Services Limited
11th floor, Times Tower, Kamala City
Senapati Bapat Marg
Lower Parel, Mumbai
400 013

Re: Proposed initial public offering of equity shares of Rs. 5 each (“Equity Shares”) by Anand Rathi Wealth Services Limited (the “Company”), through a fresh issue of Equity Shares by the Company (the “Fresh Issue”) and an offer for sale of Equity Shares by certain existing shareholders of the Company (the “Offer for Sale”, and together with the Fresh Issue, the “Offer”)

Dear Sirs,

We, Khimji Kunverji & Co., Chartered Accountants, the statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “**IT Act**”), and to the shareholders of the Company under the IT Act, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed annexure are not exhaustive. The attached **Annexure A** is for your information and for inclusion in the draft red herring prospectus, the red herring prospectus and the prospectus “**Offer Documents**), as amended or supplemented thereto or any other written material in connection with the proposed Offer and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.
- iii) the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not wish assume responsibility to update the views consequent to such changes.

All capitalized terms not defined hereinabove shall have the same meaning as defined in the Offer Documents.
Sincerely,

Yours faithfully,

For Khimji Kunverji and Co.
Chartered Accountants

Firm Registration No: 105146W

Hasmukh B Dedhia

Partner (33494)

Place: Mumbai

Date: September 24, 2018

Encl: Statement of Special Tax Benefits

Annexure A

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFIT AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible tax benefits available to the company and its shareholders under the current direct tax laws in India for the financial year 2018-19.

SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Company is not entitled to any special tax benefits under the Act.

SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")

The Shareholders of the Company are not entitled to any special tax benefits under the Act.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the report titled “Research Report on Wealth Management”, September 2018, prepared by CARE Advisory (the “**CARE Advisory Research**”) except for other publically available information as cited in this section. We commissioned the CARE Advisory Research for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we nor any other person connected with the Offer has verified the information in the CARE Advisory Research or other publically available information cited in this section. Further, the CARE Advisory Research was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends and opinions in the CARE Advisory Research may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CARE Advisory (“**CARE**”) has advised that while it has taken utmost care to ensure accuracy and objectivity while developing the CARE Advisory Research based on information available in public domain, it does not guarantee the accuracy or completeness of the CARE Advisory Research. CARE operates independently of, CARE Ratings Limited and the CARE Advisory Research does not contain any confidential information obtained by the ratings division, which they may have obtained in the regular course of operations. The opinion expressed in the CARE Advisory Research cannot be compared to the rating assigned to the Company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument. CARE is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in the CARE Advisory Research and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of the CARE Advisory Research.

E. Indian Economy Overview

2. Economic Outlook

- **Real GDP Growth (%)**:

| Country and Groups | 2016 | 2017 | 2018 | 2019 |
|---|-------|----------|-------------|-------------|
| | | Estimate | Projections | Projections |
| World Output | 3.2 | 3.7 | 3.9 | 3.9 |
| Advanced economies | 1.7 | 2.4 | 2.4 | 2.2 |
| Emerging Market and Developing Economies** | 4.4 | 4.7 | 4.9 | 5.1 |
| Emerging and Developing Asia | 6.5 | 6.5 | 6.5 | 6.5 |
| China | 6.7 | 6.9 | 6.6 | 6.4 |
| India | 7.1 | 6.7 | 7.3 | 7.5 |
| ASEAN-5* | 4.9 | 5.3 | 5.3 | 5.3 |
| Emerging and Developing Europe | 3.2 | 5.9 | 4.3 | 3.6 |
| Latin America and the Caribbean | (0.6) | 1.3 | 1.6 | 2.6 |
| Middle East, North Africa** | 5.0 | 2.2 | 3.5 | 3.9 |
| Sub-Sahara Africa | 1.5 | 2.8 | 3.4 | 3.8 |
| Low-Income Developing Countries | 3.5 | 4.7 | 5.0 | 5.3 |

(Source - CARE Advisory Research)

*Thailand, Singapore, Vietnam, Indonesia, Malaysia

**Includes Commonwealth of Independent States, Emerging and Developing Asia, Emerging and Developing Europe, Latin America and the Caribbean, Middle East, North Africa, Sub-Sahara Africa

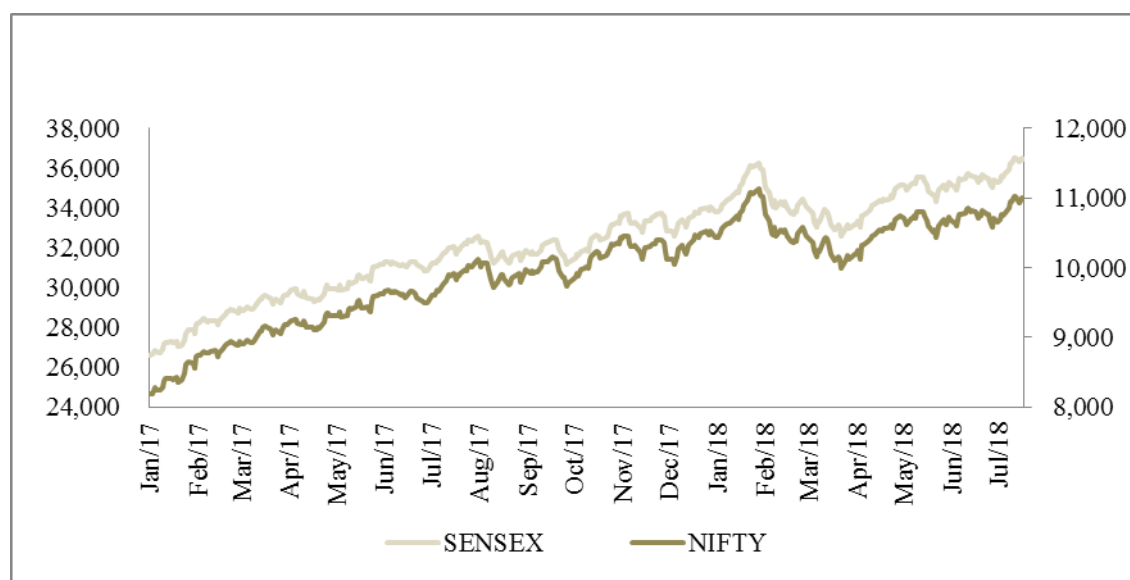
As per International Monetary Fund (“**IMF**”) in July 2018; global output is estimated to have grown by 3.7% in 2017 with pickup in growth observed across regions with notable surprise from Europe and Asia. Economic growth of India is projected to strengthen to above 7%, gradually recovering from the short-term adverse impact of Goods and Services Tax (“**GST**”) and demonetisation. In the longer run, the GST will boost corporate investment, productivity and growth by creating a single market and reducing the cost of capital equipment. Recent measures to digitise the economy and improve tax compliance should boost tax revenue in the medium term. They are accompanied by an increase in public pensions and wages, as well as debt write-offs in some states, resulting in a broadly neutral fiscal stance over the projection period. Given the high public debt-to-GDP ratio, increasing social infrastructure, such as health and education, will require raising more property and income tax revenue. Non-performing loans have increased, largely reflecting recognition efforts, and are

particularly high in public banks. Reserve Bank of India (“**RBI**”) has taken to clean up banks' balance sheets, giving creditors more control over the stressed entities. External debt remains low and foreign exchange reserves have increased, leading to decreasing exposures to global factors. As per IMF, Indian economy is projected to grow by 7.3% in 2018 and 7.5% in 2019, making it one of the fastest growing economies in the world compared to China which is expected to achieve 6.6% in 2018 and 6.4% in 2019. Global growth in 2018 and 2019 is forecasted at 3.9% for both the years, while growth rate for emerging market and developing economies is estimated to rise up from 4.7% in 2017 to 4.9% in 2018 and 5.1% 2019. Advanced economies are projected to gradually grow at stable rates of about 2.4%, reflecting supportive financial conditions, strong business and consumer confidence and investment response to the corporate income tax cuts.

Moody's Investors Service (“**Moody's**”) has upgraded the Government of India's local and foreign currency issuer ratings to Baa2 from Baa3 and changed the outlook on the rating to stable from positive in November 2017. India's sovereign credit rating was last upgraded in January 2004 to Baa3. Rationales for the to upgrade includes reforms improving business climate, structural reforms strengthening institutions, stable public indebtedness government support to banks reducing risk. In the financial year 2018, India is expected to retain its position as the fastest growing economy, helped by a gradual recovery in private investment, further growth in consumer spending and recovery from short term impact of GST.

As announced in Union Budget 2017-18, Finance Minister focus on proposing budget to stimulate growth with an aim to implement government incentives to provide relief to the middle class, provide affordable housing, reduce black money, digitize the economy, increase transparency in political financing and simplify the tax administration in the country. Eventually such supportive initiatives have attracted numerous foreign companies to establish their facilities, boosting the manufacturing sector of the Indian economy and increasing the purchasing power of an average Indian consumer. Strong macroeconomic fundamentals, including low external debt, less reliance on commodity exports, robust private and public spending and rising infrastructure investment, friendly government reforms and increase in urbanization with young middle class will further contribute fast growth of India's GDP.

3. Indian Capital Market Outlook



(Source - CARE Advisory Research)

Domestic Index Sensex rose in FY 2018 by 11.30% and Nifty by 10.25% supported by strong foreign fund inflows with an expectation for an improving economy and higher corporate earnings, boosting investor confidence. Government initiative of introducing GST and the Insolvency and Bankruptcy Code (“**IBC**”) and increase in participation of the domestic mutual fund industry as a strong counterbalance to foreign funds has been an important factor for the shift in the country's financial space.

F. Indian Wealth Management Industry Overview

The Indian Wealth Management market is on a sustained path of growth, given India's long-term economic prospects, positive demographics, rising income levels and current low penetration. India has the key ingredients of a high-growth wealth management market, namely driven by a very large and young mass affluent segment; an increase in the wealth of global Indians; the Indian government's push to control illegal channel of funds and more tightly to regulate the capital markets.

Number of millionaires in 2017 and 2022 (Selected countries)

| Country | Number (thousand) | | Change |
|----------------|-------------------|---------------|------------|
| | 2017 | 2022 | (%) |
| United States | 15,356 | 17,784 | 16% |
| Japan | 2,693 | 3,821 | 42% |
| United Kingdom | 2,189 | 2,126 | (3)% |
| Germany | 1,959 | 2,240 | 14% |
| China | 1,953 | 2,748 | 41% |
| India | 245 | 372 | 52% |
| World | 36,051 | 43,948 | 22% |

(Source- CARE Advisory Research)

The demographic difference presents an opportunity to create new products to address the needs of a young population and leverage new technologies, such as social and software-based investing applications as a key differentiator. Indian wealth management industry is largely focused mainly on the urban segment, leaving untapped majority of Indian population. One of the key factors for advisors is to develop trust with the potential investors where advisors constantly needs to build their brand, focus on overcoming trust barriers, invest in technology and focus on transparency and compliance.

Currently, 8% of the total population in India represents 45% of the total wealth and of the above only 20% take advices from wealth managers. Increase in start-ups, rising income levels and friendly macro factors will drive growth of young HNI population in India, there is a big opportunity for a wealth management firms to tap into an underpenetrated market with huge upside growth potential. (Source – CARE Advisory Research)

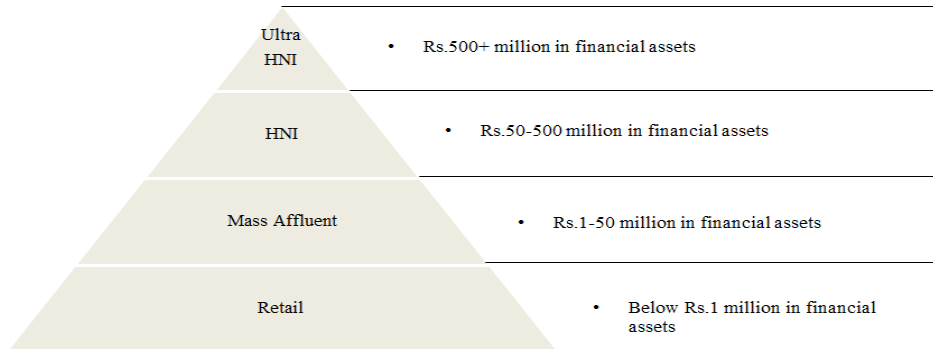
There is steady growth in client's interest towards:

- 1) Mutual Fund / Other financial Product Distribution
- 2) Financial Planning (specific short term and long term goals) Advice
- 3) Tax Planning Advice
- 4) Estate Planning Advice
- 5) Wealth Management Advice

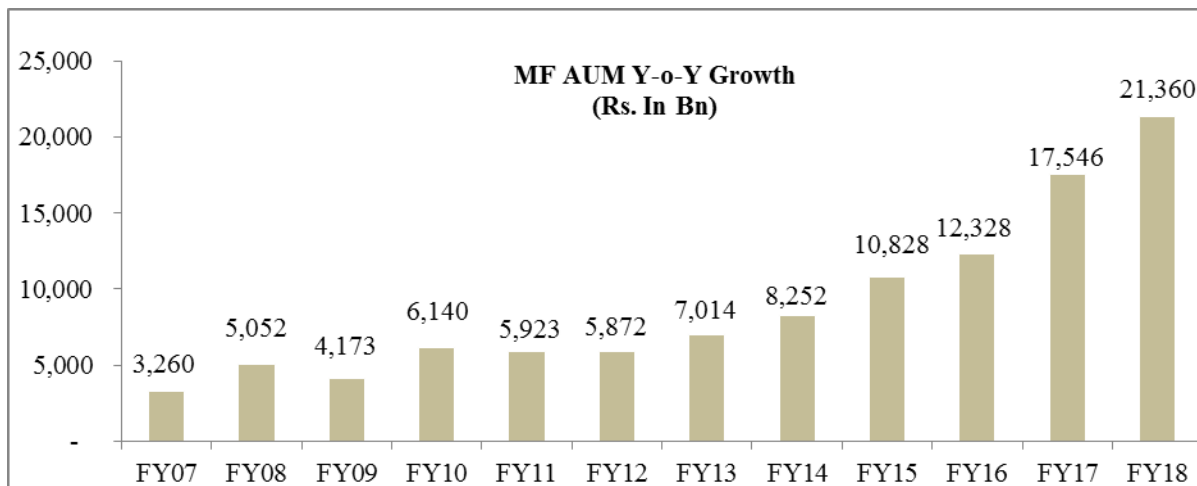
Based on the investment corpus available with the individuals, CARE has grouped individuals in following four categories:

- Retail – With financial assets of ₹1 million and lower
- Mass Affluent – With financial assets between ₹1 million to ₹50 million
- HNI - With financial assets between ₹50 million to ₹500 million
- Ultra HNI – With financial assets of more than ₹500 million

Wealth Pyramid



3. Indian Mutual Fund Industry Overview



(Source - CARE Advisory Research)

The Indian mutual fund industry has a long history of over 50 years, starting with the formation of UTI, a joint initiative of the Government of India (“GOI”) and the RBI in 1963. It was regulated and controlled by the RBI until 1978, after which the Industrial Development Bank of India (“IDBI”) took over. UTI launched its first scheme, Unit Scheme 1964, in 1964 and its AUM reached ₹67 billion by 1988. The year 1987 witnessed the entry of other public sector banks to set up mutual fund business in the country. Since 2003, the mutual fund industry has witnessed a healthy growth, supported by various regulatory measures as well as investor education initiatives, where AUM of the Indian Mutual Fund Industry has grown from ₹3.26 trillion as on March 31, 2007 to ₹21.36 trillion as on March, 2018, about six and half fold increase in a span of about 11 years.

Digital presence by mutual fund houses and wealth management players is enhancing distribution reach. Digital advances have ensured distribution efficiencies, and also helped to create predictable revenue streams in the business. Digital platforms have helped distributors to focus more on research and tracking markets rather than operational tasks such as individual client visits and extended paperwork. Tablet and mobile apps are helping mutual funds increase reach in beyond 15 (“B15”) locations. Moreover, there have been several industry-wide initiatives to help distributors build digital capabilities in order to serve investors better. While there are all types of distributors — robots, fee-based advisors and transaction-only distributors — will co-exist as there is low penetration of distributors in the country, with only a small number of distributors catering to the large population base.

4. Players in the Indian wealth management space

| Business model | Market positioning | Key characteristics |
|---|--------------------|---|
| Universal banks | Strong | <ul style="list-style-type: none"> Includes large players, mainly private banks; recently some PSU banks have also announced plans to launch wealth-management services Extensive reach Relatively high entry barriers Cross-sell potential with both retail and corporate customers |
| Wealth management Specialists | Medium | <ul style="list-style-type: none"> Mainly foreign players with strong understanding of advisory services Offerings are mainly managed/structured products Typically high entry barriers Focus on the UHNI segment |
| Global investment banks | Weak | <ul style="list-style-type: none"> Focus on the UHNI segment Institutional approach to serve clients with investment banking products |
| Brokers/dealer discount/ online brokers | Strong | <ul style="list-style-type: none"> Large number of players Focus on the mass affluent segment Mainly offer mutual fund products |
| National distributors | Strong | <ul style="list-style-type: none"> Some firms are affiliated to a brokerage firm with a large network of sub-brokers Large firms with extensive distribution network Multiple products |
| Family office | Weak | <ul style="list-style-type: none"> Holistic advisory services for specific client segments such as entrepreneurs |
| Robo-advisors | Upcoming | <ul style="list-style-type: none"> Fully automated or hybrid investment managers Algorithm-based advice without human intervention Suitable for small-ticket retail investors Available at a lower cost Consistent and transparent advice |
| Others (independent funds/insurance advisors, Etc.) | Medium | <ul style="list-style-type: none"> Very low entry barriers Commission-driven model No dedicated wealth management offering |

5. Evolution of Digital Wealth Management

The global wealth management industry is being revolutionized by the rapid pace of digital innovation. After the global financial crisis, while traditional asset managers focused on meeting the enhanced regulatory requirements and resolving other crisis-driven complexities, several new age digital players focused on developing simpler and cheaper methods of delivering financial advice in an innovative way. This paved the way for virtual advice, and amidst the increasing evolution of virtual advice, one of the most recent disruptions is the robo-advisor movement, i.e., the emergence of a new group of digital wealth management firms offering automated investment advice services. Notably, these firms are challenging one of the main paradigms of the wealth management industry: the need for face-to-face interaction and a personalized human touch to financial advice.

Robo advisors are automated, low-cost money management providers that mirror the role of a traditional financial advisor. They offer user-friendly digital platforms and conduct individualized risk profiling via algorithms to determine an optimal asset allocation for investor's portfolio vis-à-vis the archetypal time-intensive face-to-face consultations carried out by traditional wealth managers. The basis for this technology is that algorithms can provide sound and logical financial advice at a fraction of a cost compared to human advisors.

Developments in the robo-advisor space in India

As the prevalence of robo-advisors has increased globally, these platforms have also made their way to India. Typically, robo-advisors across the globe channelize client’s funds into low-cost index funds and ETFs. Robo advisors in India offer a variety of mutual funds products. The Indian wealth management landscape has not witnessed a proliferation of robo-advisors as there is a lack of a wide range of index funds and ETFs.

Robo-advisors in India are mainly of three kinds:

| | |
|-----------------|---|
| Basic | <ul style="list-style-type: none"> • Ready portfolio of pre-selected funds • Limited risk profiling and customization |
| Advanced | <ul style="list-style-type: none"> • Customized mutual fund portfolio construction; goal-based financial advice • Comprehensive financial counselling (telephonic) • Extensive risk profiling and customization |
| Evolved | <ul style="list-style-type: none"> • Customized mutual fund portfolio construction • Goal-based financial advice; basic life and health insurance related advice • Tax optimization; expense restructuring • Extensive risk profiling and customization |

Robo-advisors operate on a very low-cost model compared to traditional wealth management firms. In India, most professional financial planners charge ₹15,000 to ₹40,000 a year to manage a client’s portfolio, while wealth management firms, which mainly cater to wealthy clients, charge 0.75% to 1.5% of AUM per year. Robo-advisors are mostly free of cost and earn either from trail commissions from fund houses or charge a very low advisory fee. The typical fee structure of robo-advisors is either of the following:

- Charge levied on investors: They generally charge between ₹1,000 and ₹7,500 per annum, or ~0.15% of AUM
- Compensated by fund: They only work on commissions they get from fund houses, with no charge from investors

6. Wealth Management Operating Models in the future

| Wealth Management Operating Models in the future | | |
|---|---------------------|--|
| Pure Automated Advisory Model | Hybrid Advice Model | Holistic Goal-Based Financial Planning and Wealth Management Model |

- **Pure Automated Advisory Model** - Suitable for HNIs with basic investment needs with no need for a personal touch, and primarily relies on technology for investment guidance as well as act as a touch point.
- **Hybrid Advice Model** - This model lies in between the above two models and takes advantage of both technology-driven and traditional advice, where the wealth manager takes the calls on whether to steer clients to the digital or personal relationship services.
- **Holistic Goal-Based Financial Planning and Wealth Management Model** - Characterized by a personal relationship between the client and wealth manager and frequent human interaction, this model provides holistic and customized advice.

7. Product overview

Products offered: Wealth managers in India mainly sell mutual funds, private equity funds, real estate funds, non-convertible debentures, portfolio management services, structured products and tax-free bonds to investors.

- **Structured Products**

Structured products or market linked debentures (MLDs) are products where majority of the money is invested in fixed-income securities and the smaller portion in derivatives linked to an asset such as equities. They possess unique risk-return profiles that allow investors to alter their desired level of exposure. There are structures that provide capital protection and ones that do not.

The MLD i.e. structured product segment, witnessed strong growth in FY17 (refers to the period from April 1, 2016 till date in 2017) as the issuances reached a size of ₹77.3 billion in FY17 as against ₹48.74 billion in FY16, ₹26.32 billion in FY15 and ₹19.92 billion in FY14. The average monthly issuances have gone up to ₹6 billion in FY17 from around ₹ 3 billion in previous years. (*Source – CARE Advisory Research*)

This is primarily due to both demand and supply side expansion. The demand of MLDs grew on account of:

- Higher participation from corporates in addition to existing HNIs;
- Increase in ticket size;
- Acceptance of MLDs with underlying other than Nifty (i.e. G-sec, corporate bonds etc.); and
- Investors' emphasis on downside protection in volatile market conditions.

The supply side of market grew on the back of:

- Rise in number of issuers; and
- Increase in number of distributors.

The moderate to low return on other investment avenues amid falling interest rate scenario have also helped MLDs in gaining growth momentum in FY17. The outstanding MLDs were at ₹100,000 million as of FY17 vis-a-vis ₹68,000 million as on FY16.

MLDs are of two types i.e. principal protected (PP-MLD) and non-principal protected (NPP-MLD). The issuances in both the segments have been higher compared with last year. However, investors' inclination towards downside protection in volatile market conditions supported PP-MLDs share which accounted for 84% of the total issuances in FY17.

Individual Wealth in this asset class grew almost 23% to ₹283,220 million in FY17.

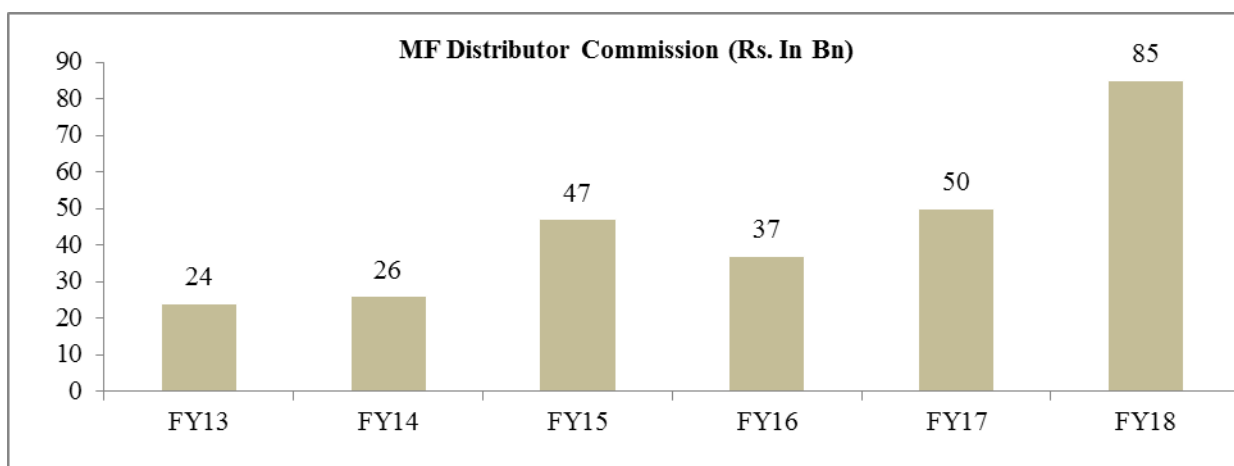
- **Portfolio management services**

AMCs in India have started offering strategies with higher flexibility to investors through PMS. As of December 31, 2017, there were 255 portfolio managers registered under the SEBI. This avenue has seen a sharp increase in the asset size, which doubled to ₹4,600 billion as of December 2017 from ₹1,400 billion as of March 2013.

This AUM can be classified under three sections – non-discretionary, discretionary and advisory. Discretionary assets dominated the PMS space with a 78.6% share, followed by advisory (15.2%) and non-discretionary (6.2%).

- **Distributor Commissions**

As per AMFI, the commissions paid by mutual funds to distributors grew from ₹24,000 Million in Fiscal 2013 to ₹85,000 Million in Fiscal 2018, representing a CAGR of 28.8%. Increased financial savings, superior returns from mutual funds, greater reliance on distributors and government policies acted as key catalysts in driving the distribution revenue growth. In addition, as per a SEBI directive which was passed in September 2012, AMCs were permitted to pay higher commissions to distributors in B15 cities in order to increased investments from under-penetrated regions.



Data is based on AMFI disclosures on commissions of distributors that comprises distributors meeting any of the below four criteria:

1. Present in at least 20 locations.
2. AUM of ₹1 billion.
3. Total commission greater than ₹10 million.
4. Commission received from at least one fund house should be greater than ₹5 million.

(Source – CARE Advisory Research)

▪ Mutual Fund Distributors Commission- Non Bank Category

(₹ in Million)

| Sr. No | Name of the ARN Holder | Gross Amount | Gross Inflows | Net Inflows | Average Assets | Ratio of AUM |
|--------|---|--------------|---------------|-------------|----------------|--------------|
| 1 | NJ India Invest Private Limited | 7,867.7 | 348,078.0 | 146,763.2 | 501,565.7 | 1.63 |
| 2 | Prudent Corporate Advisory Services Ltd | 2,178.2 | 120,267.8 | 54,067.8 | 139,973.3 | 1.39 |
| 3 | IIFL Wealth Management Limited | 1,750.1 | 1,807,376.1 | 11,682.0 | 307,524.2 | 0.17 |
| 4 | Bajaj Capital Ltd. | 1,007.4 | 81,530.8 | 8,704.0 | 99,778.6 | 1.24 |
| 5 | Anand Rathi Wealth Services Limited | 977.4 | 145,093.1 | 19,907.2 | 89,857.6 | 0.75 |
| 6 | Karvy Stock Broking Limited | 925.9 | 95,457.7 | 12,078.8 | 93,504.2 | 1.02 |
| 7 | Julius Baer Wealth Advisors (India) Private Limited | 883.4 | 108,798.6 | 1,484.7 | 134,248.5 | 1.32 |
| 8 | JM Financial Services Limited | 790.6 | 714,096.4 | (25,987.5) | 160,255.7 | 0.19 |
| 9 | L & T capital markets limited | 600.0 | 2,664,307.3 | (31,669.9) | 91,838.3 | 0.03 |
| 10 | SPA Capital Services Limited | 567.4 | 762,341.7 | 25,095.6 | 114,807.0 | 0.19 |

Note: Non-Bank Category excludes banks and its affiliates

(Source – CARE Advisory Research)

G. Key industry player overview

India 2017 AUM League Table - Non Bank Category

| Rank | Private wealth manager (USD bn) | 2017 | 2016 | YoY % change |
|------|---------------------------------------|------|------|--------------|
| 1 | IIFL Wealth and Asset Management | 17.7 | 14.8 | 19.6% |
| 2 | Edelweiss Wealth Management | 13.3 | 7.4 | 79.7% |
| 3 | Julius Baer | 9.1 | 7.0 | 30.0% |
| 4 | ASK Asset and Wealth Management | 6.0 | 2.1 | 185.7% |
| 5 | Ambit Private Wealth | 5.5 | 0.4 | 1275.0% |
| 6 | Client Associates | 3.2 | 2.7 | 18.5% |
| 7 | Anand Rathi Private Wealth Management | 3.1 | 1.6 | 93.8% |
| 8 | Centrum Wealth Management | 3.0 | 1.8 | 66.7% |

| Rank | Private wealth manager (USD bn) | 2017 | 2016 | YoY % change |
|------|---|------|------|--------------|
| 9 | Karvy Private Wealth | 2.9 | 2.1 | 38.1% |
| 10 | Avendus Wealth Management | 2.8 | 1.7 | 64.7% |
| 11 | L&T Finance Wealth Management | 2.7 | 1.9 | 42.1% |
| 12 | Credit Suisse Private Banking | 2.7 | 2.0 | 35.0% |
| 13 | Motilal Oswal Private Wealth Management | 2.4 | 1.0 | 140.0% |
| 14 | Waterfield Advisors | 2.2 | 1.2 | 83.3% |
| 15 | Sanctum Wealth Management | 0.9 | 0.7 | 28.6% |
| 16 | Credence Family Office | 0.3 | 0.2 | 50.0% |

(Source – CARE Advisory Research)

India 2017 AUM League Table - Bank Category

| Rank | Private wealth manager (USD bn) | 2017 | 2016 | YoY% change |
|------|---------------------------------|------|------|-------------|
| 1 | Kotak Wealth Management | 29.6 | 15.3 | 93.5% |
| 2 | Axis Bank Wealth Management | 12.7 | 8.2 | 54.9% |
| 3 | BNP Paribas Wealth Management | 12.4 | 7.3 | 69.9% |
| 4 | ICICI Private Banking | 11.2 | 8.4 | 31.8% |
| 5 | Standard Chartered Private Bank | 10.7 | 7.8 | 37.2% |
| 6 | Citi Private Bank | 8.0 | 7.0 | 14.3% |
| 7 | HDFC Private Bank | 7.8 | 6.5 | 20.0% |
| 8 | Barclays Wealth | 4.5 | 3.0 | 4.7% |
| 9 | Deutsche Bank Wealth Management | 3.1 | 2.3 | 34.8% |

(Source – CARE Advisory Research)

India 2017 RM Headcount League Table

| Rank | Private bank/Wealth Manager | 2017 RMs | 2016 RMs | YoY% change |
|------|---|----------|----------|-------------|
| 1. | HDFC Private Bank | 250 | 200 | 25.0% |
| 2. | Karvy Private Wealth | 234 | 195 | 20.0% |
| 3. | IIFL Wealth and Asset Management | 225 | 218 | 3.2% |
| 4. | Anand Rathi Private Wealth Management | 180 | 128 | 40.6% |
| 5. | Edelweiss Wealth Management | 172 | 155 | 11.0% |
| 6. | Kotak Wealth Management | 110 | 110 | 0.0% |
| 7. | Motilal Oswal Private Wealth Management | 106 | 83 | 27.7% |
| 8. | Centrum Wealth Management | 100 | 80 | 25.0% |
| 9. | L&T Finance Wealth Management | 95 | 78 | 21.8% |
| 10. | ICICI Private Bank | 83 | 65 | 27.7% |
| 11. | Axis Wealth Management | 75 | 70 | 7.1% |
| 12. | Sanctum Wealth Management | 45 | 34 | 32.4% |
| 13. | Client Associates | 39 | 30 | 30.0% |
| 14. | Standard Chartered Private Bank | 37 | 40 | (7.5)% |
| 15. | ASK Asset and Wealth Management | 35 | 33 | 6.1% |
| 16. | Citi Private Bank | 33 | 25 | 32.0% |
| 17. | Julius Baer | 33 | 35 | (5.7)% |
| 18. | Barclays Wealth Management | 30 | 28 | 7.1% |
| 19. | Ambit Private Wealth | 24 | 22 | 9.1% |
| 20. | Avendus Wealth Management | 21 | 14 | 50.0% |

| Rank | Private bank/Wealth Manager | 2017 RMs | 2016 RMs | YoY% change |
|------|---------------------------------|----------|----------|-------------|
| 21. | Credit Suisse | 19 | 12 | 58.3% |
| 22. | Deutsche Bank Wealth Management | 18 | 16 | 12.5% |
| 23. | Credence Family Office | 16 | 11 | 45.5% |
| 24. | BNP Paribas Wealth Management | 14 | 17 | (17.6)% |
| 25. | Waterfield Advisors | 7 | 3 | 133.3% |

(Source – CARE Advisory Research)

As can be seen from above there are various players in Banking and Non-Banking space that are growing rapidly in terms of AUM like Kotak wealth Management IIFL, Edelweiss and in terms of number of wealth advisors such as Anand Rathi and Motilal Oswal.

Summary of profitability for wealth management players

(₹ in Million)

| Company | Financial Year | Revenue | PAT | EBITDA | PAT Margin |
|--|----------------|---------|---------|-----------|------------|
| IIFL Wealth and Asset Management | FY18 | 10,749 | 3,853 | NA | 36% |
| | FY17 | 10,830 | 2,505.0 | 6209 | 23% |
| | FY16 | 5,910.0 | 1,693.0 | 2506 | 29% |
| Edelweiss Wealth Management | FY18 | 5,800 | 1300 | NA | 22% |
| | FY17 | 4,530.0 | 710.0 | NA | 16% |
| | FY16 | 2,422.0 | 196.0 | NA | 8% |
| Julius Baer Wealth Advisors India Pvt. Ltd | FY17 | 999.0 | (722.0) | (123.58) | - |
| | FY16 | 439.0 | (801.0) | (467.9) | - |
| Sanctum Wealth Management Pvt. Ltd. | FY17 | 180.0 | (226.0) | (218.4) | - |
| | FY16 | 2.0 | (38.0) | (38.0) | - |
| Ask Investment Managers Pvt. Ltd. | FY17 | 3,325.0 | 571.0 | 818.5 | 17% |
| | FY16 | 2,243.0 | 286.0 | 333.1 | 13% |
| L&T Finance Wealth Management | FY18 | NA | 290.0 | NA | 10% |
| | FY17 | 621.2 | 50.0 | 582.7 | |
| | FY16 | 292.9 | (240.0) | 544.7 | |
| Centrum Wealth Management Ltd. | FY17 | 600.0 | 375.0 | 39.5 | 63% |
| | FY16 | 391.0 | 61.0 | 43.1 | 16% |
| Aventus Wealth Management Pvt. Ltd. | FY17 | 273.0 | (160.0) | (157.5) | - |
| | FY16 | 170.0 | (76.0) | (74.6) | - |
| Motilal Oswal Wealth Management Pvt. Ltd | FY18 | 1059 | 310.0 | 418 | 29% |
| | FY17 | 7,20.0 | 1,32.0 | 223 | 18% |
| | FY16 | 4,44.0 | 710.0 | 139 | 16% |
| Ambit Wealth Advisors Pvt. Ltd. | FY17 | 4.0 | 1.0 | NA | 22% |
| | FY16 | 3.0 | 1.0 | NA | 23% |

(Source – CARE Advisory Research)

In recent years there has been growing concern that individual independent financial advisors (“IFAs”) and even small advice firms are being forced out of the market. For many, the weight and cost of complying with regulation have become too heavy to bear if they aren’t shared in a corporate environment with a large support staff that brings economies of scale. This has created some concern that independent financial advice is going to be harder and harder to find. If not because large wealth managers are absorbing smaller players, but because many individual advisors feel it is simply too risky to operate independently.

However, the growing use of technology in the industry may provide a way for IFAs to manage the costs and risks of operating on their own.

Following are the major players who provide a technology platform for IFAs to service their clients and grow their business as on June 2018.

| Sr No. | Competitor | Subscribed IFAs (appx) |
|--------|-------------------------------|------------------------|
| 1 | Omni Financial Advisors (OFA) | 4700 |
| 2 | Datacomp(Wealth Magic) | 3250 |
| 3 | Redvision | 2300 |
| 4 | Investwell | 1800 |
| 5 | IFA Planet | 1800 |
| 6 | FINSYS | 1400 |
| 7 | Vijaya | 1000 |
| 8 | Optimum | 922 |
| 9 | IFA Now | 600 |

(Source - CARE Advisory Research)

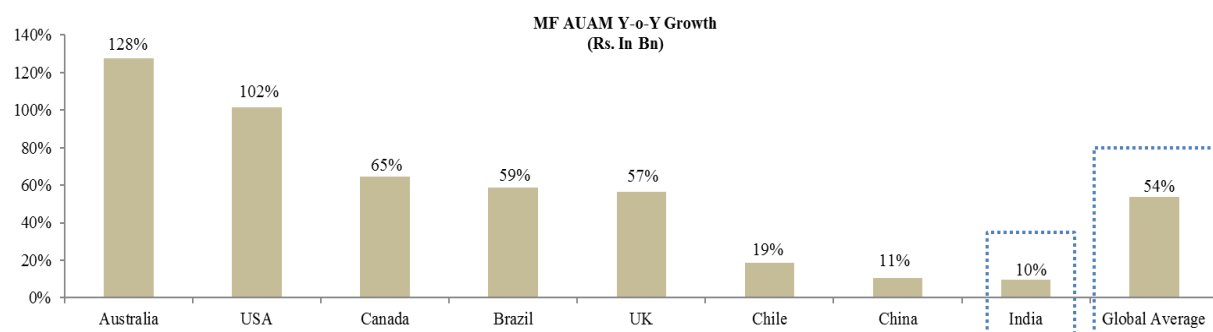
H. Key Growth Drivers

6. Increasing Penetration of Mutual Fund Market in India

Assets managed by the Indian mutual fund industry have grown from ₹18.58 trillion in March 2017 to ₹22.71 trillion in March 2018. That represents a 22.22% growth in assets over March 2017. (Assets are measured as average assets for the month).

Despite the size and growth profile, India continues to be underpenetrated with a mutual fund penetration rate (the ratio of period ending mutual fund AUM to GDP) of 10% in 2016, as compared to 102% in the United States, 59% in Brazil and a global average of 54%. Further, India accounts for less than 1% of the global mutual fund industry, representing a significant growth opportunity.

Mutual Fund Penetration of various Countries 2016

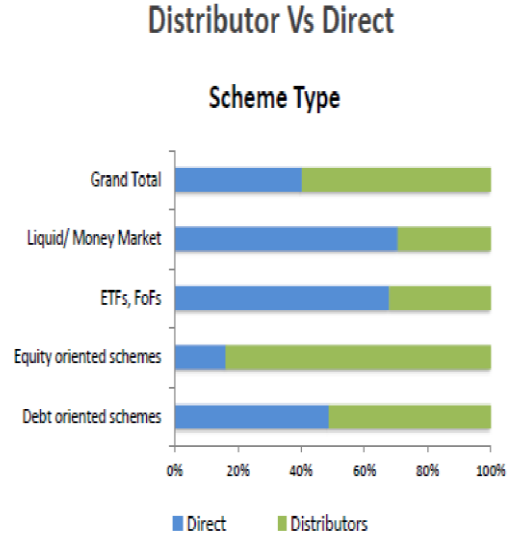
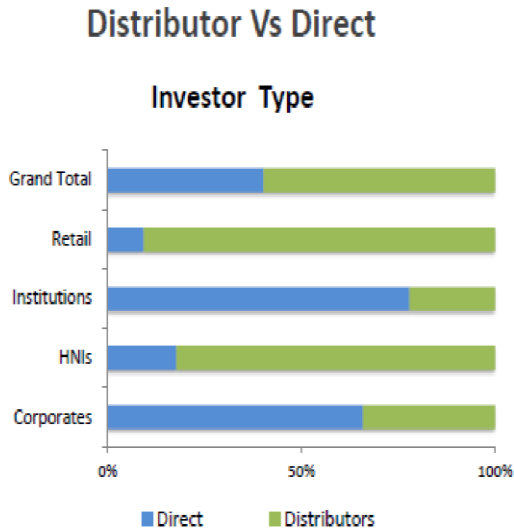


(Source – CARE Advisory Research)

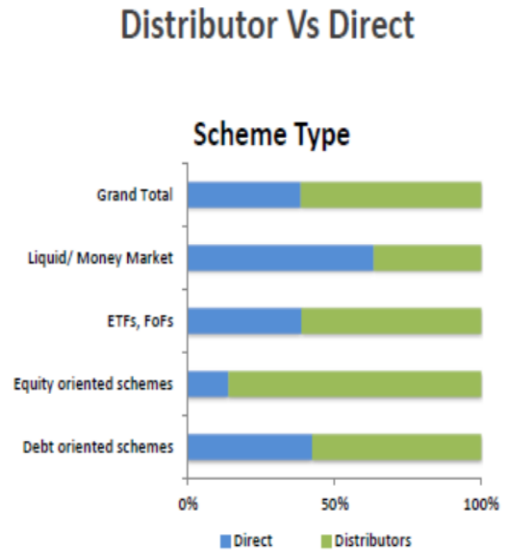
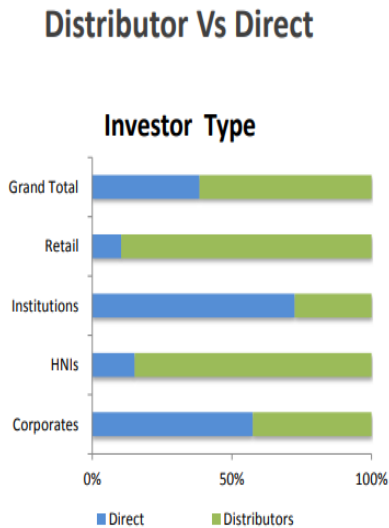
Recently, the mutual fund sector is witnessing rising activity from B15 locations, especially in the equity segment due to improved distribution and regulatory changes in fee structure. Lack of awareness about financial instruments and prevalence of low financial knowledge have been key factors in a lower inflow of investments as compared to that in other BRIC nations like China and Brazil. Favourable demographics and rising income levels make it one of the most attractive sectors in the financial services industry. Robust macroeconomic fundamentals outlook and various government reforms have strengthened investor confidence, prompting them to participate in the equity market, especially increased participation of investors from tier 3 and tier 4 cities. Due to increasing mobile phone penetration and increasing wealth managers integration towards technology to service transparent and systematic products in an efficient manner helps to develop informed customers and enables distributors to penetrate deeper into Indian market to service clients across the wealth management space.

- *Distributors - Key to drive growth of Mutual Fund Industry*

March-2016

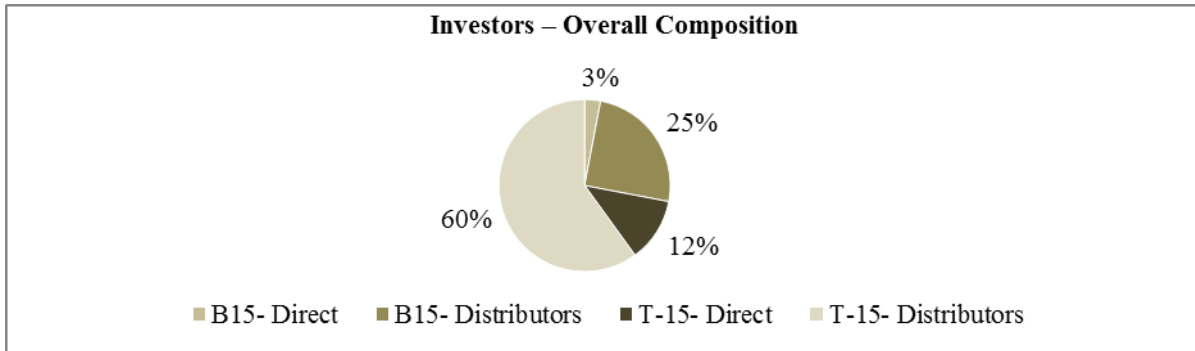


March 2018



(Source – CARE Advisory Research)

Distributors have been a key reason for strong participation from retail investors that has led to overall growth in the industry. Commission rates for the distributors have remained relatively stable but it's the increase in participations of investors through distributors have been a key driver for increase in total AUM of mutual fund industry. Retail investors/HNIs have preferred to invest through distributors. As of March 2018, about 90% of the retail investors chose to invest through distributor, while 81.6% of HNI assets were invested through distributor. In the equity schemes 90% of the assets were through distributors who have been an important factor for growth of domestic equity market. Distributors are becoming more and more prominent with private players dominating the distribution market where advisory's play still plays a critical role in providing information to potential investors. Distributors from B15 cities are also key drivers for increasing penetration of mutual funds in the smaller cities and attractive incentives in low per capita state.

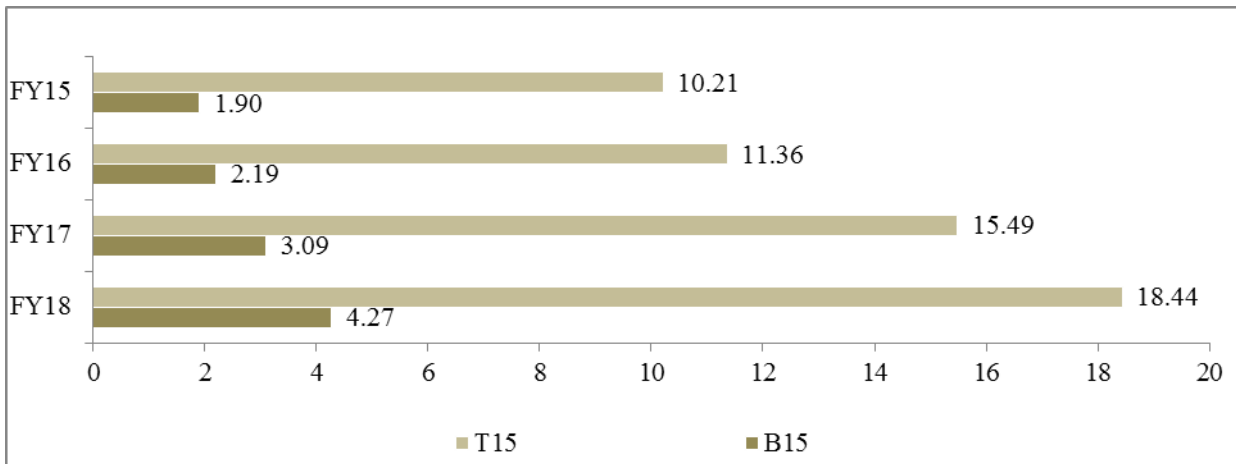


(Source – CARE Advisory Research)

Distribution channel accounted for 85% of total mutual fund assets under management (“AUM”) for the period March 2018, of which 60% belongs to top 15 cities (“T15”).

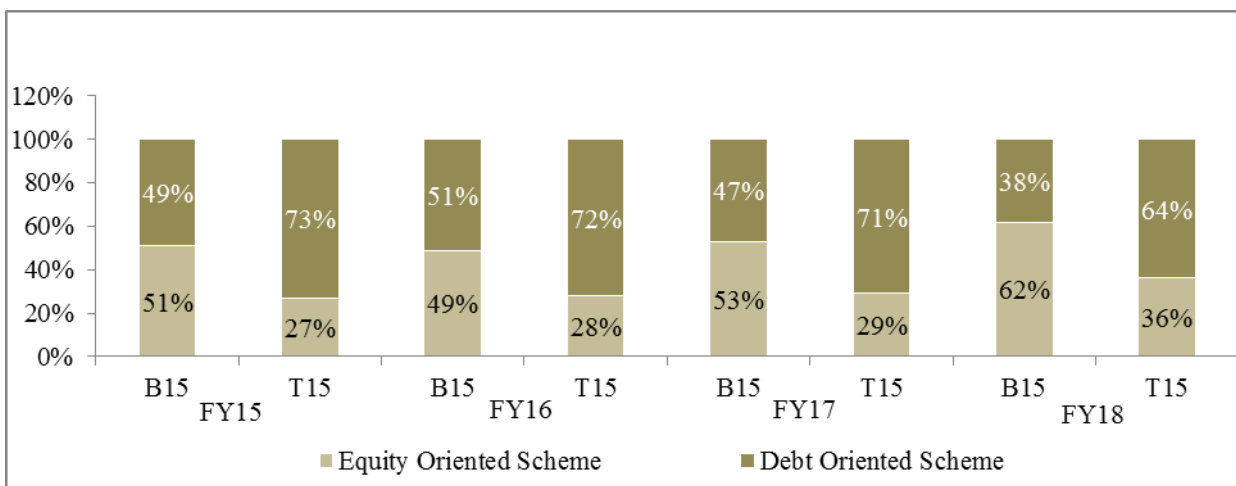
The industry has 55,331 distributors from B15 cities; T15 cities have 51,851 distributors as on March 2018. Most retail investors from B15 rely on distributors to invest in mutual funds due to which distributors attracts higher growth in commission from B15 cities.

- Increase in Retail participation and mass affluent**



(Source – CARE Advisory Research)

- B15 and T15 Asset Mix**



(Source – CARE Advisory Research)

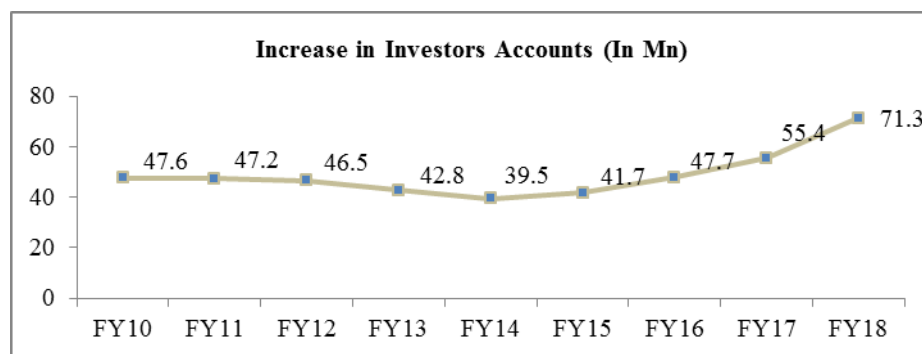
The wealth management market (assets under advisory) in India is about ₹7.6 trillion, which is only 6% of the country's GDP, as compared to 60% to 75% of GDP in established markets. The increase in penetration of wealth management companies into Tier II and III cities will also help to drive the growth given more than 40% of the UHNIs live in non-Metro where currently wealth is majorly managed by independent financial advisors (IFAs) and Chartered Accountants. (Source – CARE Advisory Research)

As investors are getting more educated, retail investors' style of investing is becoming more mature and they are becoming aware of the potential that equities offer along with the associated risks. Individual investor's component of total number of folios in the industry has steadily increasing over the years where mass affluent retail investors are spearheading the growth rate. Mutual funds remain a largely under represented asset class in India where a large part of mutual fund savings originate from the large cities. Growing popularity of mutual funds has seen increasing participation from retail investors in B15 cities.

The top five cities, Mumbai, Delhi, Bangalore, Chennai and Kolkata attributed to 69% of the Quarterly Average Assets Under Management ("QAAUM") of mutual fund for the quarter ending in December 2017. But with rising income levels and a growing affluent middle class, Retail investors are getting much inclined towards equities as an investment option over traditional preference of savings towards physical assets, especially from B15 cities. As of December 2017, Maharashtra and New Delhi attributed to 52% of the average AUM compared to 56% in March 2015. 18.7% of the assets of the mutual fund industry came from B15 locations in March 2018. Assets from B15 locations have increased from ₹1.89 trillion in March 2015 to ₹4.26 trillion in March 2018.

Investors from B15 locations are attracted towards equity as compared to T15 (T15 refers to the top 15 geographical locations in India and B15 refers to the locations beyond the top 15) where debt portion is higher due to large participation from institutional investors. 62% of the assets from B15 locations are in equity schemes as compared to 36% from T15 locations in March 2018.

- **Increase in folios**



(Source – CARE Advisory Research)

Retail investor's preference is becoming more mature as they get more informed regarding equities potential and risk associated in investing in it. Since March 2014, there is an increase in investor accounts from 39.5 million to 71.3 million in March 2018. Increase in penetration of mutual funds products driven by increase in number of folios and participation from mass affluent segment. Total number of accounts (or folios as per mutual fund parlance) as on March 31, 2018 stood at 71.3 million, while the number of folios under Equity, ELSS and Balanced schemes, wherein the maximum investment is from retail segment stood at 62.5 million. Individual investor's component of total number of folios in the industry has been steadily increasing over period of years where mass affluent retail investors are spearheading the growth rate. The total number of retail investor folios increased from 45.40 million as of March 31, 2016 to 67.00 million as of March 31, 2018, adding 21.61 million folios in 2 years.

7. Increase in Wealth and HNI population in India

For the past decade, India has been classified as a lower-middle income country which aspires to move a step up in the global prosperity ladder. In the past three decades, per capita incomes have multiplied, poverty has reduced, illiteracy rates have fallen, and health conditions have improved. An expanding economy has provided the much-needed resources to address chronic infrastructure deficits and improve the lives of millions. India is now poised to transition to a higher and more widely shared level of prosperity. Households in the global middle

class can fulfil a range of aspirations, such as affordable housing, health care, education, clean water, sanitation facilities, reliable electricity, a safe environment, and discretionary income to spend on leisure pursuits. According to World Bank draft report, unlike East Asia, there is an expanding share of young adults in India, so there is limited risk of sustained wage increases for low-skilled workers and unlike Latin America, India is a net importer of minerals, timber, and many other commodities, so that India's growth does not fade with declining commodity prices. The share of population in extreme poverty of India was reduced from 45% in 1994 to 22% in 2012. If this trend continues, India is on track to eliminate extreme poverty by 2026 (to below 3%). The rapid decline in poverty between 2005 and 2012 was driven mainly by higher labour earnings. Non-farm jobs, supported by an unprecedented rise in wages for unskilled labor, have helped millions of Indian households move above the poverty line.

- ***Increase in HNI population and reliance on wealth managers for investment advise***

Growth of Ultra HNIs in India

| Growth of Ultra HNIs in India | | |
|--------------------------------------|------------------------------|-----------------------------|
| | Assets (in ₹trillion) | Number of Ultra HNIs |
| 2010-11 | 45 | 62,000 |
| 2011-12 | 65 | 81,000 |
| 2012-13 | 86 | 100,900 |
| 2013-14 | 104 | 117,000 |
| 2014-15 | 128 | 137,100 |
| 2015-16 | 135 | 146,600 |
| 2016-17 | 153 | 160,600 |
| 2021-2022E | 352 | 330,400 |

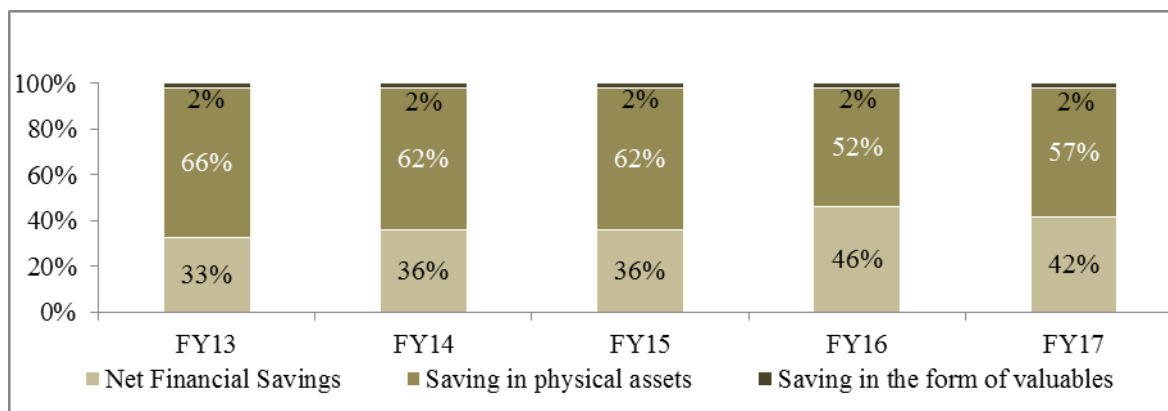
(Source – CARE Advisory Research)

India currently has one of the youngest populations in the world, with a median age of 27.73 years and has the world's highest number of 10 to 24-year-olds, with 242 million, compared to China, which has 185 million young people. By 2020, India is expected to have 34.33% share of youth in total population. Although India is one of the world's fastest growing ultra-high-net-worth Individual ("UHNI") populations both in terms of the number of individuals and the wealth levels, percentage of wealthy Indians remains very small compared with developed economies. With increase in start-ups, rising income levels and friendly macro factors with ease of doing business will drive growth of young HNI population in India, a big opportunity for wealth management firm to tap into underpenetrated market. Currently, around 69% of total HNI population in India is below the age of 55 years where majority of them seeks a wealth manager to advice on investment opportunity as they neither have the expertise nor the time to monitor their investments. The no. of UHNIs grew to 160,600 (with ₹153 trillion worth of assets) at the end of 2017, up 10% from that in 2016, which roughly equaled the combined market-capitalisation of all companies listed on BSE. Ultra-HNIs in India are expected to double to 330,400 with ₹352,000 billion worth of assets by 2022 mostly increase driven by young Indians getting wealthier. Ultra High Net Worth Households in India are inclining towards 'opportunity-driven approach' to equity investing and are keen on reducing exposure to real estate and debt instruments in pursuit of bigger profits in equity market. *(Source - CARE Advisory Research)*

8. Increase in Household savings with high proportion of savings towards financial assets.

- Increase in preference of investing in financial assets

Changes in Household savings in India



(Source – CARE Advisory Research)

Sector-Wise Domestic Saving at Current Prices

(₹ in Billion)

| Particulars | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Gross financial saving | 10,640 | 11,908 | 12,572 | 15,207 | 14,048 |
| Less-financial liabilities | 3,304 | 3,587 | 3,768 | 3,911 | 3,747 |
| Net Financial Savings | 7,336 | 8,321 | 8,804 | 11,296 | 10,301 |
| Saving in physical assets | 14,650 | 14,164 | 15,131 | 12,721 | 13,985 |
| Saving in the form of valuables | 367 | 368 | 456 | 462 | 511 |
| Household sector | 22,353 | 22,853 | 24,391 | 24,480 | 24,797 |
| GVA at Basic Prices | 85,463 | 90,636 | 97,121 | 105,033 | 112,476 |
| Net Financial Savings as % of GVA | 8.58% | 9.18% | 9.07% | 10.76% | 9.16% |

(Source – CARE Advisory Research)

As can be seen from above the share of financial savings has increased from 33% in 2012-13 to 42% in 2016-17. The financial savings is at ₹10,301 billion in 2016-17.

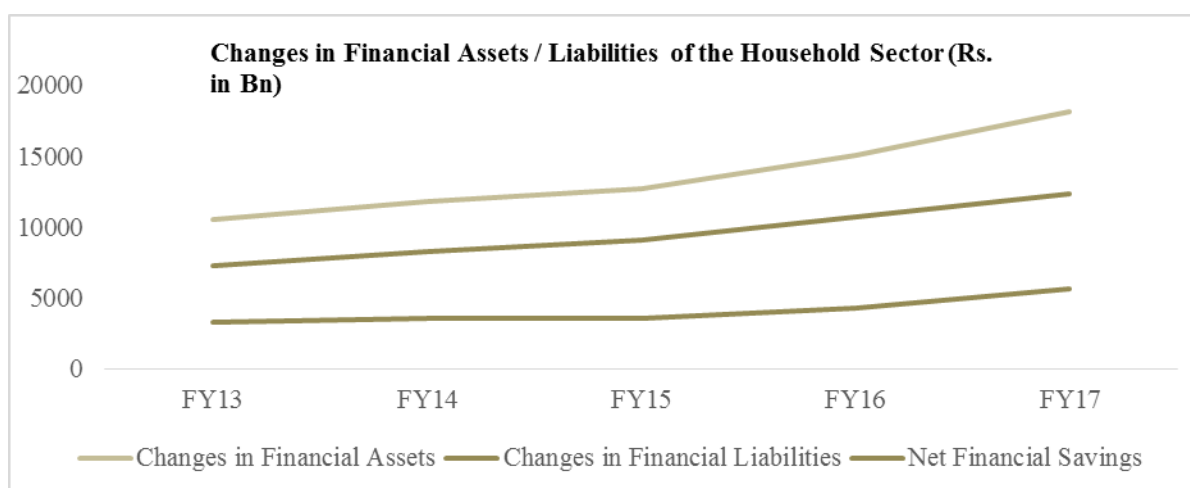
Changes in Financial Assets / Liabilities of the Household Sector

(₹ in Billion)

| Sr.no | Particulars | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|----------|---|---------------|---------------|---------------|---------------|---------------|
| 1 | Currency | 1,120 | 1,000 | 1,330 | 2,010 | (3,170) |
| 2 | Bank deposits | 5,750 | 6,390 | 6,030 | 6,220 | 10,960 |
| 3 | Non- banking deposits | 280 | 230 | 340 | 370 | 340 |
| 4 | Life insurance fund | 1,800 | 2,040 | 2,990 | 2,660 | 4,410 |
| 5 | Provident and pension fund | 1,560 | 1,780 | 1,890 | 2,770 | 2,960 |
| 6 | Claims on Government | (70) | 230 | 10 | 670 | 840 |
| 7 | Shares and debentures | 170 | 190 | 200 | 410 | 1,830 |
| 8 | Trade Debt (Net) | 30 | 50 | 40 | 40 | 40 |
| 9 | Changes in financial assets (1 to 8) | 10,640 | 11,910 | 12,830 | 15,140 | 18,200 |

| Sr.no | Particulars | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-----------|--|--------------|--------------|--------------|--------------|--------------|
| 10 | Bank advances | 3,090 | 3,020 | 2,940 | 3,470 | 4,420 |
| 11 | Loans and advances from other financial institutions | 220 | 560 | 700 | 840 | 1,320 |
| 12 | Loans and advances from Government | - | 10 | - | 10 | 10 |
| 13 | Changes in financial liabilities (10 to 12) | 3,300 | 3,590 | 3,630 | 4,320 | 5,750 |
| | Net Financial Savings (9-13) | 7,340 | 8,320 | 9,190 | 10,820 | 12,460 |

(Source – CARE Advisory Research)



(Source – CARE Advisory Research)

As can be seen from the above table, across the key asset classes, there has been an increase in proportion, primarily in financial asset class and the trend is likely to continue to grow in the coming years.

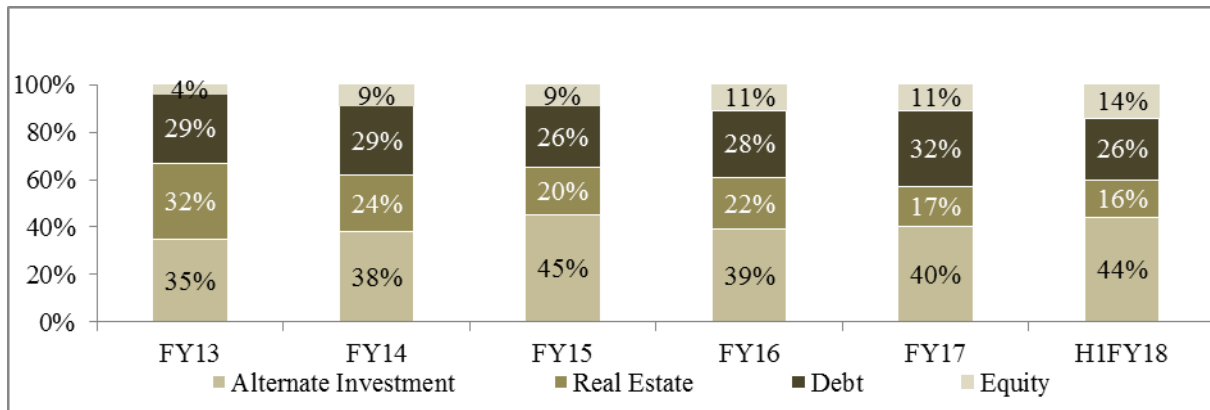
Breakup of changes in financial assets / liabilities of the household sector

| Sr.no | Particulars | FY13 | FY14 | FY15 | FY16 | FY17 |
|-------|----------------------------|------|------|------|------|------|
| 1 | Currency | 10% | 8% | 10% | 13% | -17% |
| 2 | Bank deposits | 54% | 54% | 47% | 41% | 60% |
| 3 | Non- banking deposits | 3% | 2% | 3% | 2% | 2% |
| 4 | Life insurance fund | 17% | 17% | 23% | 18% | 24% |
| 5 | Provident and pension fund | 15% | 15% | 15% | 18% | 16% |
| 6 | Claims on Government | -1% | 2% | 0% | 4% | 5% |
| 7 | Shares & debentures | 2% | 2% | 2% | 3% | 10% |
| 8 | Units of UTI | 0% | 0% | 0% | 0% | 0% |
| 9 | Trade Debt (Net) | 0% | 0% | 0% | 0% | 0% |

(Source – CARE Advisory Research)

A large fraction of the wealth of Indian households is in the form of physical assets (in particular, gold and real estate). The average Indian household holds 84% of its wealth in real estate and other physical goods, 11% in gold and the residual 5% in financial assets. As compared to other international countries, financial savings has higher proportion to household's savings in advanced economies as they are more likely to finance home purchasing with a mortgage and allocate a sizeable fraction of their wealth to retirement savings over the course of their lifetime. Investors in India are increasingly changing its investment behaviour from physical savings into real estate and gold towards financial assets such as equity, bonds and alternate investments that has higher potential for wealth creation. Such financial savings will find its way into mutual funds, owing to increased awareness of the product. Lower expected returns on physical assets have been one of the major factors for shift in investments preference of investors towards financial products. With a high possibility of double-digit growth

in corporate earnings over the next few years, aided by a low base and recovery in growth, investment in equities is the preferred asset class in the coming years for HNI's and UHNIs.



(Source - CARE Advisory Research)

9. Digitalizing Wealth Management Sector

Technology is poised to change the nature and delivery of financial advice in some significant ways. Technology is an enabling platform convergence and creating opportunities for new client engagement. There is an increasing number of online trading, brokerage, investment, direct-to-consumer (“D2C”) and robo-advisors offering user friendly, low-cost, automated solutions for core functions such as investing, asset allocation, and portfolio management and reporting. Asset managers revamp their business models — standardize, centralize and outsource through the use of technology. Processes are becoming paperless, efficient, easy and real-time.

- **Trends driving the emergence of robo-advisors**

Focus on mass market

Wealth managers have traditionally focused on the high-net-worth (HNI) and ultra-HNI segments, which align better with the economics of their advisor-based business model, providing sophisticated products and face-to-face service. This left less affluent investors devoid of high-quality wealth management advice.

Robo-advisors have the ability to make wealth advice economically feasible to the mass market. Their operating model differs from that of traditional players in that it is less sophisticated in terms of products but clear and efficient in scalability. This, in turn, has enabled these players to reach client segments that have traditionally been out of reach of wealth managers.

The mass market offers tremendous potential for wealth managers worldwide. Although these clients may be relatively small on an individual level, when aggregated they represent a significant asset base (for instance, in the US, the mass affluent segment offers a market potential of ~US\$10 trillion). These digital firms have made it possible to bring investment advice to the masses and unlock the large potential of underserved segments through their low-cost and potentially highly scalable solutions in order to meet core wealth management needs.

Demographic shift

The wealth management industry is witnessing a phase of significant demographic change as its largest investor segment — the baby boomers (born between 1946 and 1965) — retires and assets are transferred to the next generation — Gen-X (born between 1966 and 1980) and Gen-Y/millennial (born after 1980).

Younger set of investors have largely been underserved by traditional players, with only 18% of financial advisors in the US targeting Gen-Y clients.

Traditional wealth managers are facing challenges in maintaining relationship with clients, who are tech-savvy and believe in a do-it-yourself approach. On average, a financial advisor is over 50 years of age, which results in a generational gap and a slight disconnect with the younger generation.

The simple technology platforms offered by new-age digital wealth managers resonate well with the needs of millennials. Digital entrants have also benefited from the fact that many millennials do not have a trusted advisor relationship and feel comfortable using technology to manage their finances. Hence, digital firms are well positioned to capitalize on the generational shift.

Advanced digital capabilities

Digital has changed the way people interact, creating opportunities for new engagement models with end investors.

These technology-backed automated investment services (robo-advisors) have been developed on the premise that many of the activities performed by traditional investment advisors can be replicated by adopting advanced digital capabilities.

Robo-advisors have successfully leveraged the demand for user friendly and interconnected digital services and deployed a simple streamlined digital experience for clients.

These firms have created direct-to-consumer models to provide the basic elements of wealth management advice, minimizing the traditional reliance on human advisors. Digital platforms automatically invest and rebalance according to clients' goals and risk tolerances sans human interference.

10. Government Initiatives

In order to promote investors participation, government / regulators are boosting investor's confidences to participate in equity / debt market by increased focus on client centricity, fiduciary responsibility and compliance. Regulatory have been more stringent in their requirements regarding advisor qualifications, infrastructure, risk profiling and suitability criteria. To enhance the penetration of mutual funds in the country, SEBI sought to increase the sales in the B15 location through the commission structure. In 2011, SEBI proposed a self-regulatory organization ("**SRO**") for the Indian wealth management sector that would help regulate business and serve as a medium for SEBI to implement various wealth management initiatives. In September 2012, SEBI allowed fund houses to charge an additional 30 basis points on daily net assets in the total expense ratio, should the new inflows from B15 cities be at least 30% of the gross new inflows in the scheme or 15% of the average assets under management, whichever is higher.

I. Outlook for Wealth Management Industry in India

1. Shift in savings from physical assets to financial assets

Historically, households in India have been quite risk averse and wary of investing their savings into volatile or uncertain return-based assets. A pursuit of safe bets has always driven India towards making investments in unproductive assets like gold. However, this pattern is slowly changing over time, especially post announcement of demonetization in November 2016. Also, the country has seen a major shift in attitude from capital preservation to wealth creation in FY17.

With a likely growth rate of India's GDP projected at 7.3% in FY19 and 7.5% in FY20, the country will remain a key growth driver of global economy. Growth outlook till 2022 also remains positive with an average growth rate of 7% - 8%. Against this backdrop, individual wealth in India is expected to grow at a CAGR of 13.18% till FY22 and is likely to nearly double to ₹638,890 billion by FY22. In the next five years, financial assets will witness much faster growth rate as compared to physical assets. As far as individual contribution is concerned, financial assets are expected to form almost 63% of the total individual assets by FY22 vs 59% in FY17, physical assets are expected to be restricted to 37% of the total wealth vs 41% in FY17. The reduction in bank deposit rates in the past year has further led to a shift in investment to mutual funds and the stock markets.

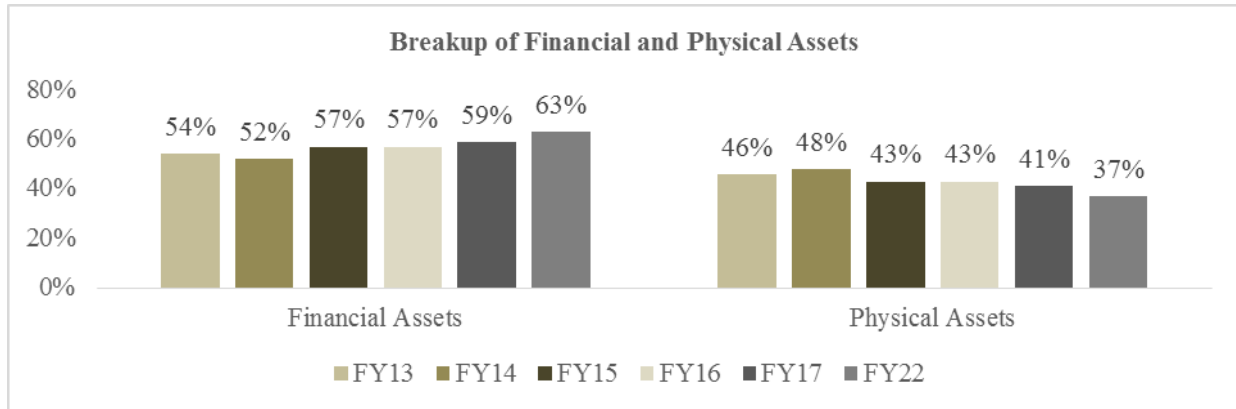
(Source – CARE Advisory Research)

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

(₹ in Billion)

| Category | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 22 |
|------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Financial Assets | 109,860 | 134,710 | 160,560 | 177,880 | 203,910 | 403,080 |
| Physical Assets | 92,060 | 122,710 | 119,890 | 132,270 | 140,100 | 235,810 |
| Total | 201,920 | 257,420 | 280,450 | 310,150 | 344,000 | 638,890 |

(Source – CARE Advisory Research)



(Source – CARE Advisory Research)

- Projected financial wealth – asset class wise distribution in FY22**

Financial assets are likely to almost double by FY22 to reach a figure of ₹403,000 billion in FY22 as compared to ₹204,000 billion in FY17. Direct equity investments is expected to be the key growth driver for the future and expected to grow at a CAGR of more than 21% over the next 5 years. The positive sentiment also helped propel Mutual Funds which grew at over 39% over the previous year as individuals increasingly identify this asset class as a better way to participate in the equity markets. It is therefore expected that by FY22, the share of financial assets in the total investment pool will rise to 63.09% from 59.27% in FY17.

- Projected Financial Wealth Asset Class wise Distribution**

(₹ in Billion)

| Category | FY 14 | FY 15 | FY 16 | FY 17 | FY 22 | Proportion FY 17 | Proportion FY 22 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Fixed Deposits and Bonds | 29,400 | 33,260 | 36,820 | 40,150 | 72,360 | 19.69% | 17.95% |
| Direct Equity | 26,660 | 34,400 | 29,640 | 37,580 | 99,190 | 18.43% | 24.61% |
| Insurance | 22,130 | 23,600 | 25,480 | 30,010 | 57,270 | 14.72% | 14.21% |
| Saving Deposits | 16,290 | 19,900 | 21,590 | 27,610 | 45,600 | 13.54% | 11.31% |
| Cash | 13,010 | 14,480 | 16,630 | 13,350 | 24,960 | 6.55% | 6.19% |
| Provident Fund | 7,360 | 9,240 | 11,510 | 13,040 | 27,140 | 6.40% | 6.73% |
| Mutual Funds | 3,930 | 5,520 | 6,240 | 8,680 | 19,670 | 4.26% | 4.88% |
| NRI Deposits | 6,220 | 7,210 | 8,270 | 7,570 | 13,230 | 3.71% | 3.28% |
| Unlisted Equity | - | - | 5,860 | 7,230 | 17,650 | 3.55% | 4.38% |
| Small Savings | 5,790 | 5,790 | 6,590 | 6,680 | 6,400 | 3.27% | 1.59% |
| Current Deposits | 3,080 | 3,430 | 4,370 | 6,110 | 8,650 | 3.00% | 2.15% |
| Pension Funds | 480 | 3,160 | 3,930 | 4,750 | 8,420 | 2.33% | 2.09% |
| Alternative Investments | 240 | 420 | 780 | 930 | 2,180 | 0.46% | 0.54% |
| International assets | 130 | 140 | 180 | 210 | 360 | 0.10% | 0.09% |
| Total | 134,710 | 160,560 | 177,880 | 203,910 | 403,080 | 100.00% | 100.00% |

(Source – CARE Advisory Research)

India has the lowest mutual fund penetration globally. The total Assets under Management (AUM) to GDP ratio of India stands at a mere 10% below the global average of 55%. Countries like Australia and the US have AUM to GDP ratios of over 100%. Hence, the mutual fund industry in the country provides huge scope for growth and development.

- **Projected physical wealth – asset class wise distribution in FY22**

Despite rise in share of financial assets, physical assets will remain resilient to an extent. Individual wealth in physical assets is likely to grow at a CAGR of 11% to around ₹236,000 billion in FY22 from ₹140,000 billion in FY17. Real estate (52% contribution in FY22) and gold (41% contribution in FY22) will remain the most favoured asset classes in the overall physical assets pie. Meanwhile, performance of physical assets will remain subdued as compared to financial assets primarily due to factors like attitudinal shift, liquidity, faster growth of equity markets among others.

- **Projected Physical Wealth Asset Class wise Distribution**

(₹ in Billion)

| Category | FY14 | FY15 | FY16 | FY17 | FY22 | Proportion FY17 | Proportion FY22 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
| Gold | 62,530 | 57,160 | 65,910 | 68,450 | 96,800 | 48.86% | 41.05% |
| Real Estate | 50,390 | 52,860 | 55,470 | 60,250 | 121,620 | 43.01% | 51.57% |
| Diamond | 7,770 | 7,990 | 8,030 | 7,980 | 12,350 | 5.70% | 5.24% |
| Silver | 1,950 | 1,840 | 2,010 | 2,290 | 2,310 | 1.63% | 0.98% |
| Platinum | 60 | 50 | 60 | 70 | 170 | 0.05% | 0.07% |
| Others Gems and Jewellery | - | - | 790 | 1,050 | 2,560 | 0.75% | 1.09% |
| Total | 122,710 | 119,890 | 132,270 | 140,100 | 235,810 | 100.00% | 100.00% |

(Source – CARE Advisory Research)

- **Key transactions in Indian Wealth Management Industry**

| Date | Target | Investor |
|--------|---|--|
| Apr-18 | Sanctum Wealth Management Pvt. Ltd. | Multiples Alternate Asset Management Pvt. Ltd. |
| Dec-17 | Fullerton Securities and Wealth Advisors Ltd. | Blueblood Ventures Ltd. |
| Feb-17 | Religare Wealth Management Ltd. | Anand Rathi Wealth Services Ltd. |
| Dec-16 | ASK Investment Managers Pvt. Ltd. | Advent India PE Advisors Private Ltd. |
| Apr-16 | The Royal Bank of Scotland NV India | Sanctum Wealth Management Pvt. Ltd. |
| Oct-15 | IIFL Wealth Management Ltd. | General Atlantic LLC |
| May-13 | Morgan Stanley Private Wealth Management | Standard Chartered Bank |

(Source – CARE Advisory Research)

- **Other trends in India's wealth management space**

There is increasing trend of HNIs investing in unlisted equity to be part of the startup / private equity story apart from the quest to have higher anticipated returns on account of unlocking of potential valuations upon listing on stock exchanges. There is an increasing trend of ultra HNIs looking at engaging with family office set-ups to not only help them in managing investments but also help in ensuring a relevant structure to preserve, grow and manage their wealth for generations to come.

Emergence of robo-advisors:

- **Impact of robo-advisors on the wealth management space**

The new mass affluent investors have not been well-served by traditional private wealth managers, especially

because of the absence of a viable business model. Financial advice from such traditional wealth managers requires a higher minimum investment than what many small investors can afford. The only available option so far for such investors was to either do it themselves, or avail the services of distributors or independent financial advisers, or explore traditional investment instruments such as term deposits.

With the introduction of robo-advisors, investors have access to the same professional advice at a lower cost and with a more affordable minimum investment amount. Robo-advisors have brought accessibility, transparency, simplicity and unbiased opinion to the whole investment process, especially for small investors. It is more attractive to a generation that demands speed, customisation, accuracy and control from their financial advisers. With new use of data, analytics span the spectrum from institutional trading and risk management to even small notional retail wealth management.

Globally as well, robo-advisors are swarming into the wealth management industry. They have been able to develop a streamlined digital experience for clients, which had been largely lacking in traditional wealth managers' digital offerings. This combined with increased transparency and lower fees have the ability to make wealth advice economically feasible for the mass market.

Globally, the current market share of robo-advisor firms is marginal as they have only gained a miniscule share of AUM but several companies already have over US\$1 billion of assets under management. Several research studies forecast that robo-advisors are going to witness significant growth going forward as these firms have managed to make quality financial advice available across demographics at an affordable cost. Robo-advisors will be the key to unlocking access to the mass market services, which, in turn, would help in growing the overall wealth management market. Moreover, these firms have received strong funding support from venture capital funds. The study predicts that the total market size for hybrid robo-advisors (hybrid robo-advisory is robo-advisory with substantial component of human interaction to the use of software for the client advisory process) will further increase to US\$16.3 trillion by 2025, which will be 10% of total investable wealth around the world by that date. In contrast pure robo-advisors (fully automated) are likely to hold only 1.6% of the total global wealth by the middle of the next decade.

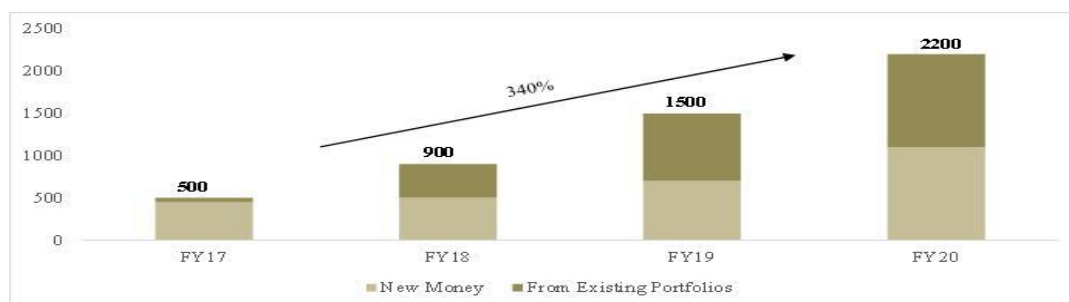
Robo-advisors steps to streamline the client online experience, provide greater transparency and improve the economics for the mass segments are irreversible and they are making traditional financial advisers rethink their business models. According to a research by Accenture, robo-advisors could result in possible fee reduction of as much as 70% for some services. Traditional advisers will need to ensure that their service offering is commensurate with the fees tagged to it. Moreover, robo-advisors will also force traditional advisers to increase focus on their digital channels. (Source – CARE Advisory Research)

International trends in robo-advisory

Since the launch of robo-advisory, it has gained significant traction. There are predominantly two types of players in this space internationally: 1) independent robo-advisors; 2) leading investment managers with robo-advisor capabilities. Some of the key players in the robo-advisory space are Betterment, Hedgeable, SigFig Wealth Management, Wealthfront, WiseBanyan and Personal Capital Corporation. Further, some of the leading investment managers with robo-advisor capabilities built in-house or acquired through MLA are Fidelity Investments, UBS Group AG, Legg Mason, Morgan Stanley, HSBC Holdings, Bank of America Corporation (Merrill Lynch), Envestment Management, Capital One Financial Corporation, TIAA Holdings, NatWest Holdings Limited, Royal Bank of Canada, The Charles Schwab Corporation, The Vanguard Group, John Hancock, E-Trade Financial Corporation, Goldman Sachs, BlackRock and CBOE Global Markets.

Robo-advisory market is expected to grow to US\$6.5 trillion by 2025.

With over 300% growth expected in AUM managed by robo-advising (AUM(\$B))

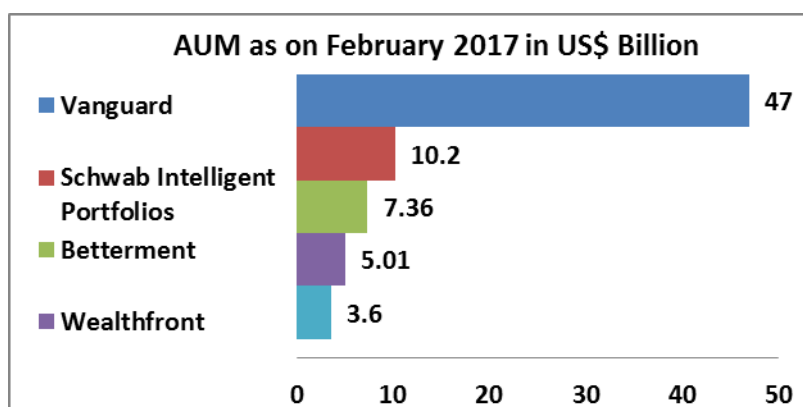


(Source – CARE Advisory Research)

Partnership route has also been actively pursued as the same can deliver promptly-realized advantages through process automation, cost reduction and the attraction of new customers. This route also avoids the costs and risks inherent in implementing a customer solution into legacy systems. Select partnerships in this route include, U.S. Bancorp - Motif Investing, Pershing - Marstone Limited, RBC Advisor Services - NextCapital Advisers Inc., Wells Fargo and Co - SigFig Wealth Management and BBVA Compass -FutureAdvisor (Owned by BlackRock Inc).

Other leading players including Standard Chartered, Charles Schwab, UBS, Vanguard, Deutsche Bank, Fidelity and Merrill Lynch have tried to build robo-advisory capabilities in-house. The objective has been to enable advisors to promote it as a low-cost alternative to traditional advisory services and provides the flexibility to offer varying functionality to help attract new investors.

Value of assets under management of selected robo-advisors worldwide as of February 2017



(Source – CARE Advisory Research)

J. Regulatory Guidelines on Wealth Management Services:

The regulatory environment in the Indian wealth management industry is still evolving. This presents opportunities for established wealth managers to expand their offerings. Regulations covering fiduciary duties and investor protection are imminent.

Some key proposals/guidelines by regulators affecting the Indian wealth management space:

SRO for wealth management

In 2011, capital markets regulator, SEBI, proposed a SRO for the Indian wealth management sector that would help regulate business and serve as a medium for SEBI to implement various wealth management initiatives.

Investment advisor guidelines by SEBI

SEBI (Investment Advisers) Regulations, 2013, which came into force in January 2013, focuses on the independence of investment advisors. According to the new regulations, investment advisory services have to be separated from all other activities such as distribution. A distributor can sell product but cannot offer advice. In addition, banks, NBFCs and various corporate bodies would have to set up a separate subsidiary for investment advisory services.

Any entity/individual willing to engage in the business of providing investment advice to clients is required to be registered with SEBI. Moreover, an investment advisor should be professionally qualified, with a post-graduate degree in finance, accountancy, business management, banking, etc. or a graduate degree with relevant experience of at least five years. The individual also needs to be certified by NISM or FPSB. To be an investment advisor, corporate bodies need to have a minimum net worth of ₹2.5 million and individuals ₹0.1 million.

Investors should ensure proper risk-profiling of clients, and the investment advice provided should be appropriate to the client’s risk profile. Investors also need to maintain a record of KYC, risk profiling and

assessment, suitability assessment of advice provided, agreements with clients, investment advice provided (written as well as oral), rationale for arriving at investment advice and a list of clients with date of advice, nature of advice and fees charged.

SEBI guidelines for Mutual Fund scheme classification

SEBI introduced guidelines in October 2017 on consolidation and merger of mutual fund schemes with the aim to make it simpler for the investors to compare various mutual fund schemes. Moreover, it will reduce the clutter and make it simple to compare performance amid a level-playing field.

In a bid to reduce the number of schemes in mutual funds, SEBI recently came out with uniform definitions for fund categories. SEBI's move will be applicable only on open-ended funds. The market regulator has broadly divided mutual funds into five categories-

- Equity funds;
- Debt funds;
- Hybrid funds;
- Solution-oriented funds; and
- Other funds.

To ensure uniformity, the following definitions of large cap, mid cap and small cap were adopted:

Large Cap: 1st -100th company in terms of full market capitalization

Mid Cap: 101st -250th company in terms of full market capitalization

Small Cap: 251st company onwards in terms of full market capitalization

Overall, there are over 2,000 funds in the industry. Out of them, 1,200 are close-ended funds, 830 are open-ended funds. Within those 830 open-ended funds, around 120 funds have been excluded by the market regulator. The above regulation will impact the remaining 710 funds.

As a result of the above regulation, 220 equity funds may be reduced to around 210, whereas the 490 existing debt funds may come down to 450.

The RBI's guidelines on regulating wealth management services ("WMS")

In June 2013, RBI issued draft guidelines on wealth management and distribution services offered by banks:

In April 2016, RBI asked banks that currently offer investment advisory services through an internal department to reorganize their operations within three years and set up a subsidiary for investment advisory services. This is to ensure an arm's length distance between banking activities and investment advisory services. Banks will need specific approval from the RBI to set up the subsidiary. The subsidiary would have to be registered with SEBI and would be subsequently regulated by SEBI.

Banks must ensure segregation of the marketing function from operational processes, such as approval/transaction processes at branches. Banks must ensure that the sales process is transparent and products are sold through trained employees in bank branches. Banks should strictly follow KYC and AML rules, have a robust internal grievance redressal machinery, and prevent their staff from receiving any incentive (cash as well as non-cash) directly from a third party issuer.

Regulatory pressure is forcing wealth management players to rework operating models

After the announcement of the SEBI (Investment Advisers) Regulations, 2013, there has been increased focus on client centricity, fiduciary responsibility and compliance. Regulatory requirements regarding advisor qualifications, infrastructure, risk profiling and suitability criteria have become more stringent. For the past few years, there has been a push from regulators and industry bodies to move toward a trail commission – based model and reduce up-front commissions to reduce mis-selling and the chances of churn.

One of the biggest impediments to the current wealth management model is the stipulation that investment advisors must maintain an arm’s length from distribution activities. The income of investment advisors must be in the form of fees from clients and not through commissions earned on the distribution of mutual fund products. Players are skeptical about separating advisory and distribution businesses as this may prove to be an inconvenience. Moreover, the cost of running two separate firms is high.

Additional regulatory layer proposed by SEBI may keep foreign players away from Indian wealth management business

With the aim to root out undeclared wealth and ensure tax compliance, SEBI wants to gain oversight of foreign banks managing Indian wealth. The capital market regulator has reached out to large international banks and wealth managers to register their offshore units with SEBI if they are soliciting business in India. By registering with SEBI, private banks would have to admit to managing funds of wealthy Indian clients and may also prompt further requests from SEBI to share information. Many foreign banks and wealth managers have already exited the Indian wealth management business because of the high cost of operations and regulatory burden. This might deter foreign players from having any presence in the Indian wealth management segment and offering services to wealthy Indians. The Royal Bank of Scotland NV India and Morgan Stanley Private Wealth Management are few Foreign Players who recently exited the wealth management business.

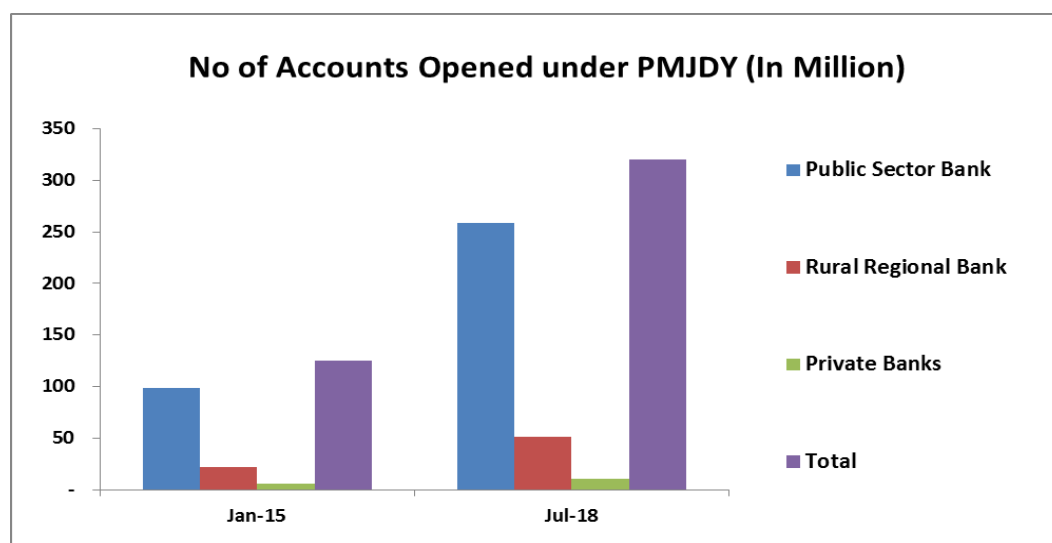
Government Initiatives to improve financial inclusion

The Government has undertaken certain key initiatives to promote financial inclusion in the country. This is expected to further increase the financial savings as more people have access to financial services. Few of the key reforms are described below:

Pradhan Mantri Jan-Dhan Yojana (“PMJDY”): Launched in August 2014, the PMJDY scheme aims to bring all the citizens under the purview of formal banking system and ensure access to financial services at an affordable price, including savings and deposit bank accounts, remittances, credit and insurance.

Pradhan Mantri Jeevan Jyoti Bima Yojana (“PMJJBY”): Launched in 2015, the PMJJBY is a Government-backed insurance scheme that offers life insurance coverage of ₹200,000 in exchange for an annual premium of 330 per member, which is renewable every year.

Pradhan Mantri Suraksha Bima Yojana (“PMSBY”): The PMSBY is an accident insurance scheme that provides a coverage of ₹200,000 for accidental death and permanent total disability, and ₹100,000 for permanent partial disability, in exchange for an annual premium of ₹12 per member. Over 100 million people have registered for the PMJJBY and PMSBY insurance schemes.



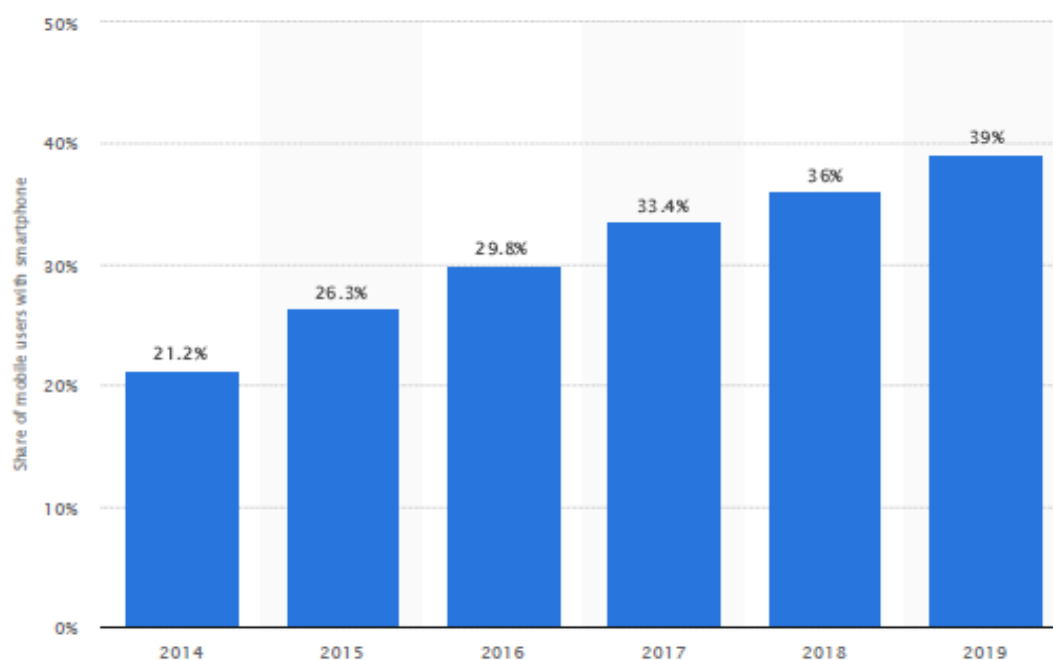
(Source – CARE Advisory Research)

| No of Accounts Opened under PMJDY (In Million) | Jan-15 | | | July-18 | | |
|--|--------|-------|----------------|---------|-------|----------------|
| | Rural | Urban | No of Accounts | Rural | Urban | No Of Accounts |
| Public Sector Bank | 53.3 | 45.1 | 98.4 | 139.2 | 119.5 | 258.7 |
| Rural Regional Bank | 18.5 | 3.3 | 21.8 | 42.6 | 8.9 | 51.5 |
| Private Banks | 3.2 | 2 | 5.2 | 6 | 4.0 | 10.0 |
| Total | 75 | 50.5 | 125.5 | 187.8 | 132.4 | 320.2 |

Aadhaar Programme: India launched Aadhaar in 2009 with the then-improbable goal of giving every Indian a single digital identity in the form of a biometric authenticated 12-digit number. Citizen identity is an important aspect of effective governance. It is the world's largest biometric ID system, with over 1.19 billion unique identification accounts as of November 30, 2017. Aadhaar - enabled transactions are playing a huge role in contributing to the government's mission of making India a less-cash economy by enabling seamless electronic KYC.

Mobile: Mobile has become an integral part of life for almost everyone in the last decade. The evolution in communication technology provides opportunities for the government to connect to the citizens and provide better governance. Currently India is the 2nd largest telecom market in the world with 1.05 billion subscribers out of which 1.03 billion use wireless means to communicate. There is an exponential rise in terms of internet users as well as smartphone users in the country. The lack of banking infrastructure poses a serious problem mostly in rural India forgetting money from banks to the last man. Additionally, over the last few years, the Government has actively undertaken multiple initiatives to improve digitization in the Country. These include a combination of schemes to biometrically identify all Indian citizens with the Aadhaar programme and to promote financial inclusion through 'Jan Dhan Yojana', the launch of Aadhaar-enabled payments systems and encouraging online tax filings.

Increasing Smartphone penetration:



(Source – CARE Advisory Research)

Direct Benefits Transfer: The Government launched the DBT scheme, with an aim to transfer government subsidies and payments directly into the bank accounts of beneficiaries leading to higher transparency in the system. The introduction of PMJDY accounts has enhanced the effectiveness of the DBT scheme. In Fiscal 2017, an estimated ₹746 billion in funds were transferred through the DBT scheme, as compared to approximately ₹618 billion in Fiscal 2016.

OUR BUSINESS

Unless otherwise stated or the context otherwise requires, references in this section to “we”, “our” or “us” are to the Anand Rathi Wealth Management Group. This section should be read in conjunction with the sections titled “Risk Factors”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 18, 116 and 331 of this Draft Red Herring Prospectus, respectively, as well as the financial information included in the section titled “Financial Information” on page 207 of this Draft Red Herring Prospectus.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Financial Information or otherwise subjected to an examination, audit or review by our Auditors or any other expert. The manner in which some of the operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other wealth management companies in India and other jurisdictions.

Overview

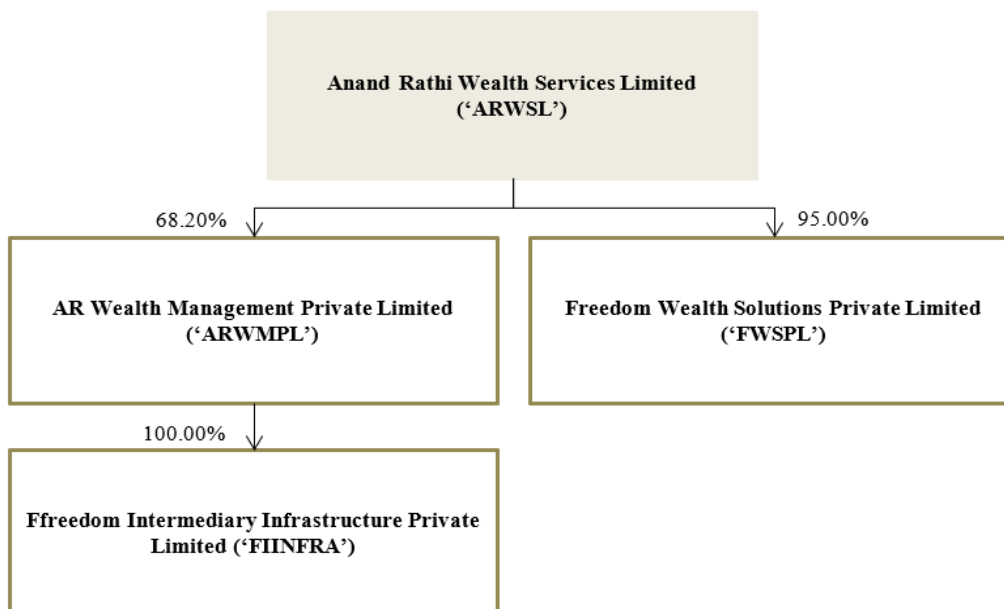
We are one of the leading non-bank wealth management services firms in India (*Source – CARE Advisory Research*) that caters to a large spectrum of clients through a mix of advisory, distribution and technology solutions. We are one of the few wealth management companies in India that caters to clients across mass affluent, HNI as well as the Ultra HNIs through various solutions ranging from personal service to technology and robo-advisory. We carry out our business through our three business verticals, namely Private Wealth Management (“**PWM**”), Digital Wealth Management (“**DWM**”) and Omni Financial Advisors (“**OFA**”). Under our PWM vertical, we provide wealth management solutions to our clients which include facilitating client investments in various financial instruments including but not limited to, mutual funds, debentures, structured products and equity derivatives for the purpose of investment strategies. Our DWM vertical allows us to build an economically feasible wealth management model for services to the mass affluent market. Further, our OFA platform is India’s leading tech platforms for IFAs (*as of June, 2018 and in terms of subscribing IFAs*) (*Source – CARE Advisory Research*) to service their clients and grow their business. Our total AuA from our PWM and DWM business was ₹169.97 billion, as on July 31, 2018. We operate with team strength of 514, 34 and 94 as on July 31, 2018 for our PWM, DWM and OFA verticals, respectively.

We are part of the Anand Rathi Group, founded by Mr. Anand Rathi and Mr. Pradeep Gupta in the year 1994 with a focus on stock-broking services and subsequently, has expanded into a diversified financial services conglomerate in the country with presence in segments, including non-banking financial services, wealth management, stock broking, investment banking and insurance broking. The Anand Rathi Group has expanded its geographical footprint and operates through 98 offices across India and the Middle East, which they service through business associates and representative offices/associate companies.

ARFSL, at the time, an AMFI registered mutual fund distributor, transferred certain businesses including the mutual fund distribution business in Fiscal 2016 to ARAL, which held a merchant banker registration, with a view to achieving a simplified business structure and facilitating a dedicated management structure for its core businesses.

Subsequently, in Fiscal 2017, ARAL further transferred its mutual fund distribution business to our Company.

Presently, the Anand Rathi Group conducts its wealth management activities including distribution of mutual funds through Anand Rathi Wealth Management Group as set out below:



Our business verticals include Private Wealth Management (“P W M”), Digital Wealth Management (“D W M”) and Omni Financial Advisors (“O F A”) through which we provide advisory, distribution and technology solutions, as detailed below:

Private Wealth Management (P W M): Our P W M vertical caters to the Ultra HNI and HNI segments of our clientele. The revenue generating activities include distribution of mutual funds, sale of financial products and investment advisory fees. As of July 31, 2018, the AuA for our P W M business was ₹ 167.02 billion with 3,653 active client families, which are serviced by a team of 208 Relationship Managers. We are present across nine cities in India, namely, Mumbai, Bangalore, Delhi, Gurugram, Hyderabad, Kolkata, Chennai, Pune and Goa.

For the 12 months ended March 31, 2018 we had ‘net mobilization from clients’ of ₹ 27.33 billion. We define ‘net mobilization from clients’ as difference between additional AuA procured by our Company net of any outflow.

We define AuA as a sum of:

- All third party assets that generate commissions or fees, which maybe upfront and/or on a trail basis; and
- Custody assets of wealth management clients.

Our AuA includes the AuA of private wealth management clients who were a part of ARFSL and ARAL before the same was transferred to our Company. We however, do not include value of promoter holdings in companies in our AuA even though they maybe in the Anand Rathi Group’s custody. We also do not include any custody assets where such clients do not have current holding of third-party assets.

We define ‘active client families’ as client families/groups with at least ₹5 million in cumulative AuA. Each ‘client family’ may have one or more sub-accounts or family member accounts through which they invest.

The details for the AuA of our P W M business is as set out below:

| AuA as at | AuA in ₹ billion |
|----------------|------------------|
| March 31, 2014 | 39.47 |
| March 31, 2015 | 56.33 |
| March 31, 2016 | 69.41 |
| March 31, 2017 | 95.81 |

| AuA as at | AuA in ₹ billion |
|----------------|------------------|
| March 31, 2018 | 149.88 |
| July 31, 2018 | 167.02 |

The number of active client families with respect to our PWM business was 3,330 and 3,653 as on March 31, 2018 and July 31, 2018, respectively.

Digital Wealth Management (DWM): Our offering for the mass affluent segment, seeks to combine the benefits of a human touch and a technology platform to deliver our wealth management services to clients. Our digital platform offers integrated wealth management services by innovative use of technology to interact with clients and help them kick-start the process of building long term wealth via online/mobile based services delivered by our employees and client engagement partners. As part of DWM business, we engage with these partners who help us service our clients and get compensated on the basis of the revenue generated by the clients serviced by these partners. Currently, we offer these services through our mobile based application, 'AR Wealth Management'. As of July 31, 2018, the AuA for our DWM vertical was ₹ 2.95 billion with 1,978 clients and 72 client engagement partners.

Omni Financial Advisors (OFA): It provides a technology platform for Independent Financial Advisors ("IFAs") to service their clients and grow their business. This cloud-based platform provides mobile – first client reporting, online transactions and financial planning systems for IFAs and their clients, coupled with analytics, data management and reporting systems and dedicated team of support and technology specialists. The OFA platform is a leading tech platform for IFAs (*as of June, 2018 and in terms of subscribing IFAs*) (*Source – CARE Advisory Research*). As of July 31, 2018, 4,923 IFAs had subscribed to our OFA platform. These IFAs handle over 1.86 million clients, with Platform Assets of ₹ 557.26 billion as of July 31, 2018. We define Platform Assets as sum total of subscribed IFAs' client assets processed and reported by us.

Our client segment, AuA or Platform Assets, service delivery, history growth and average client size for each of the business verticals are detailed below:

As on July 31, 2018

| Anand Rathi Wealth Management Group Vertical | Client segment | AuA Platform Assets / | Service Delivery | Historical Growth | Average client size |
|--|-------------------|--|---|--|---|
| PWM | Ultra HNI and HNI | AuA- ₹167.02 billion Active client families – 3,653 | Nine branches, 208 Relationship Managers | 39.47% p.a. in AuA from March 31, 2014 to July 31, 2018 | ₹ 45.72 million per active client family |
| DWM | Mass Affluent | AuA – ₹ 2.95 billion Clients – 1,978 | Mobile apps, website, employees and 72 client engagement partners | We launched our DWM platform in August, 2016 | ₹ 1.49 million per client |
| OFA | Retail | Platform Assets - ₹ 557.26 billion Platform Clients – over 1.86 million | 4,923 IFAs Mobile apps, website and support centre | 171.28% p.a. growth in number of IFAs from March 31, 2017 to July 31, 2018 | Platform Assets of ₹ 0.30 million per Platform Client Platform Assets of ₹113.20 million per IFA |

Our standalone revenue from operation and total comprehensive income for the period, representing the PWM business were ₹ 2,104.94 million and ₹ 502.09 million respectively for Fiscal 2018, and our consolidated revenue from operation and total comprehensive income for the period were ₹ 2,210.32 million and ₹ 461.41 million respectively for Fiscal 2018. Our standalone and consolidated RONW was 56.06% and 59.02%, respectively, for Fiscal 2018.

We believe in an ‘uncomplicated’ objective-oriented approach towards wealth management, in which we help our clients identify their wealth goals; post which we create customized financial strategies providing investment solutions to our clients. We also assist IFAs to provide wealth management services to their clients by leveraging our OFA technology platform.

We believe that our ‘uncomplicated’ wealth management strategy, standardised delivery processes and a highly motivated team of trained Relationship Managers help us in attracting and servicing HNI and Ultra HNI clients. Further, we have made significant investments in technology through ARWMPL and FIINFRA that are aimed at making the business more scalable and offering an enhanced client experience. We believe that the mass affluent space remains untapped and presents a lucrative business opportunity. Our DWM platform, ‘AR Wealth Management’, offers a technology platform to the mass affluent, and OFA offers a technology platform to IFAs (who provide wealth management services to their clients). Thus, we are able to provide services across a wide spectrum of clients.

We believe that the wealth management sector in India holds significant growth potential. The Indian economy is one of the fastest growing large economies in the world with projected growth of 7.3% in Fiscal 2018 and 7.5% in Fiscal 2019 (*Source – CARE Advisory Research*). Individual wealth is expected to grow at a CAGR of 13.18% till Fiscal 2022 (*Source – CARE Advisory Research*). We believe that this strong macroeconomic backdrop, coupled with India’s growing number of HNI population, rising affluence, digitization and awareness will continue to propel the financialization of savings and therefore the growth of the wealth management sector in India.

The Indian wealth management market is on a sustained path of growth, given India’s long-term economic prospects, positive demographics, rising income levels and current low penetration. In India, 45% of the total wealth is held by 8% of the population of which 20% take advice from wealth managers, hence we have an under penetrated market with huge upside growth potential for wealth managers. (*Source – CARE Advisory Research*)

The global wealth management industry is being revolutionized by the rapid pace of digital innovation. After the global financial crisis, while traditional asset managers focused on meeting the enhanced regulatory requirements and resolving other crisis-driven complexities, several new age digital players focused on developing simpler and cheaper methods of delivering financial advice in an innovative way. This paved the way for virtual advice, and amidst the increasing evolution of virtual advice, one of the most recent disruptions is the robo-advisor movement, i.e., the emergence of a new group of digital wealth management firms offering automated investment advice services. (*Source – CARE Advisory Research*)

Our Competitive Strengths

We believe in delivering uncomplicated and standardised solutions

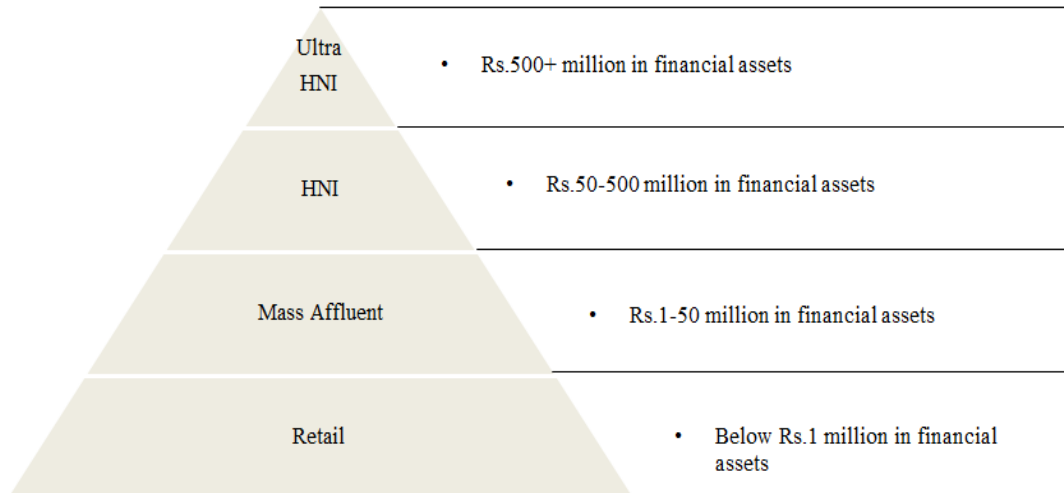
We focus on providing, what we believe are uncomplicated and holistic solutions for our clients using highly standardised processes.

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. Our recommendations to a client for his portfolio are given by using standardised algorithms in allocating assets and selecting securities which are aligned to each client’s liquidity and risk profile. The portfolio is periodically monitored and if required, strategic calls are taken to assist clients reach their goals. We also have internal teams that help clients with tax, succession and estate planning advisory.

We have built and continue to build standardised processes across the business, including hiring and training of Relationship Managers, client pitches and on-boarding, as well as ongoing management. We have been

investing aggressively in technology - using mobility, analytics and big data, and design innovation to improve client and Relationship Manager experience and business outcomes.

Leveraging technology to target market opportunities in wealth management across client segments



The wealth management market in India can be broadly divided into four segments, namely, Ultra HNIs, HNIs, the mass affluent population and retail individuals. (*Source – CARE Advisory Research*) We believe that our standardised approach and focus on technology has enabled us to create dedicated business models to address the needs of different segments of wealth management sector. We are able to target a wide spectrum of wealth management clients through our three business verticals, *i.e.* PWM, DWM and OFA.

The requirements of Ultra HNI and HNI, given the higher AuA, are typically more complex than mass affluent and retail clients. As a part of our PWM vertical, Ultra HNI and HNI clients are serviced directly by our Relationship Managers. As of July 31, 2018, the AuA for our PWM vertical was ₹ 167.02 billion with 3,653 active client families. According to CARE Advisory, demonetisation has nudged the Indian economy toward more formal ways of operating and saving and expanded the tax base. Demonetization has reduced the value of real estate (with an expected decline in real estate prices) and gold (with the curbs on cash transactions) as forms of savings. It led to a shift towards investment alternatives like capital market instruments such as mutual funds. Further, the number of UHNIs grew to 160,600 (with ₹ 153 trillion worth of assets) at the end of 2017, up 10% from that in 2016, which roughly equalled the combined market capitalisation of all companies listed on BSE. Additionally, India is one of the world's fastest growing UHNI populations both in terms of the number of individuals and the wealth levels. UHNIs in India are expected to double to 330,400 with ₹ 352 trillion worth of assets by 2022 largely driven by young Indians getting wealthier. Increase in start-ups, rising income levels and friendly macro factors with ease of doing business will drive growth of young HNI population in India and there is a big opportunity for a wealth management firm to tap into an underpenetrated market. (*Source – CARE Advisory Research*)

The retail segment across India is currently serviced by IFAs, who may not have access to a sophisticated wealth management platform. We believe that our experience in the wealth management industry has equipped us with the know-how which enables us to broaden our client base and grow our business across verticals, especially DWM and OFA. Accordingly, we acquired FWSPL and its subsidiary, FIINFRA, pursuant to which we introduced our OFA app in September, 2016. Additionally, we commenced development of our mobile based application, 'AR Wealth Management', in August 2016, which currently forms the basis of our DWM vertical.

Our offering for the mass affluent segment seeks to combine the benefits of a human touch and a technology platform to deliver our wealth management services to clients. Our digital platform offers integrated wealth management services by innovative use of technology to interact with clients and help them kick-start the process of building long term wealth via online/mobile based services delivered by our employees and client engagement partners. As part of DWM business, we engage with client engagement partners who help us service our clients and get compensated on the basis of the revenue generated by the clients serviced by these partners. Currently, we offer these services through our mobile based application, 'AR Wealth Management'. As of July 31, 2018, the AuA for our DWM vertical was ₹2.95 billion with 1,978 clients and 72 client engagement partners.

Through OFA, we cater to IFAs by providing a technology platform to service their clients. This cloud-based platform provides mobile-first client reporting, online transactions and financial planning systems for IFAs and their clients, coupled with analytics. It is leading tech platforms for IFAs (*as on June, 2018 and in terms of subscribing IFAs*) (*Source – CARE Advisory Research*). The number of IFAs who had subscribed to our OFA platform increased from 1,300 as on March 31, 2017 to 4,923 IFAs as on July 31, 2018. These 4,923 IFAs handle over 1.86 million clients, with a Platform Assets of ₹ 557.26 billion as on July 31, 2018.

Strong Business and Financial Metrics

We are one of the leading non-bank, wealth management firms in India (*Source – CARE Advisory Research*), with total AuA of PWM and DWM verticals aggregating to ₹169.97 billion, as on July 31, 2018. We believe that we have demonstrated strong financial and business metrics. Our total PWM AuA grew at a CAGR of 40.03% from March 31, 2014 to July 31, 2018 and our Relationship Managers increased at a CAGR of 33.20%, over the same period.

According to CARE, equity remains the most preferred asset class for UHNIs and HNIs, with a 44% share of their investment allocation for the first half of Fiscal Year 2018. As on July 31, 2018, 74.40% of our PWM AuA generated trail revenues or annuities which we believe provides significant stability to our business. Commissions in the mutual fund distribution business are paid either on an upfront basis, *i.e.* at the time of investment by the client, or on a trail basis, *i.e.* in the nature of a recurring periodic payment as long as the AuA

is reflected in our ARN code. While we initially commenced our mutual fund distribution business with a business model based on upfront commission, given the larger proportion of equity mutual funds historically distributed by us, we moved to a trail commission model, which has provided us with a recurring commission based on the performance of such funds in the market. We believe that this strategic move helped us in bringing stable revenue from this business. Further, as on July 31, 2018, 69.30% of our PWM AuA comprised equity or equity-linked assets which we believe, provides inherently significant long-term organic growth potential to the business. We believe that our focus on the appropriate client segment coupled with a strategy of helping clients create long-term investment plans, has helped us in building a growth-oriented client asset mix. We also enjoy a healthy yield on our AuA in our PWM business, which we believe is driven by the following factors:

- High share of productive client assets in AuA with pure custody equity assets accounting for only 6.28% of PWM AuA, as on July 31, 2018.
- High percentage of equity and long-term growth assets being 69.30% of PWM AuA, as on July 31, 2018.
- No use of any form of discounted fee models in a bid to build AuA.
- Our yield for the PWM AuA for Fiscal 2018 was 1.71% given our high share of equities and low share of pure custody products.

In our new initiatives through FIINFRA, our Subsidiary, we believe there has been a rapid growth in the Platform Assets on the OFA platform. Within two years of us launching our OFA app, it has Platform Assets of ₹ 557.26 billion as of July 31, 2018.

Our standalone and consolidated RONW for Fiscal 2018 was 56.06% and 59.02%, respectively. For Fiscal 2018, and on a standalone basis, our Company generated an operating free cash flow of ₹953.12 million, which is 189.83% of our total comprehensive income for the period. Our strong financial position in the industry provides us with sustainable resources to continue to invest and fund future growth. For further details on our financial position, please refer to “*Financial Information*”, on page 207 of this Draft Red Herring Prospectus.

Entrepreneurial and collaborative work culture

We constantly strive towards enhancing our work environment and our work culture, which we believe are of utmost importance and have contributed towards us being able to retain our current Relationship Managers as well as attract new talent. We are led by a professional management team with extensive experience in the wealth management business. For further details, please see “*Our Management*” on page 169 of this Draft Red Herring Prospectus. We have built several people practices that we believe provides a competitive advantage in our business. All employees in the role of business heads, including unit heads and team leaders, actively also work as Relationship Managers and manage client relationships. As a result, our entire management, product and advisory teams bring a deep and hands-on understanding of the market that we believe enables us to be extremely agile as a business, identify and take advantage of strategic opportunities quickly and proactively respond to the changing competitive and regulatory landscape in India.

We promote and focus on an entrepreneurial and low-ego work culture as an integral part of our business strategy. We encourage and help our Relationship Managers to prepare their own business plans, are free to focus on new client acquisitions without any geographical restrictions or collaborate with other team members, have uncapped financial upside linked to their business and actively mentor new hires.

We endeavor that a large part of our Relationship Managers team get hired through internal referrals. Over the last three Fiscals, we experienced a significantly low ‘regret attrition’ rate. Regret attrition for us means if we lose a Relationship Manager, who had contributed more than 1.5 times their cost to the company.

We believe that, among others, these factors have contributed greatly to our work environment. We have been ranked in the top 50 small and medium workplaces by the Great Places to Work Institute in 2017 and 2018.

Strategies

The key elements of our strategy are as follows:

Growing team with a focus on business expansion

We believe that our people are one of our most important assets. We offer an entrepreneurial work culture which we believe is attractive to our employees. We have been successful in attracting and retaining Relationship Managers and intend to continue to seek out talent to further enhance and grow our business. Their reputation, talent, integrity and dedication helps us grow and results in our success. We grew from 60 Relationship Managers as on March 31, 2014 to 208 Relationship Managers as on July 31, 2018. We believe that this has been a huge contributor to our business, and will continue to drive our growth.

We expanded our team primarily through existing Relationship Managers led reference hiring, promoting trained Account Managers to Relationship Managers, and through the acquisition of the wealth management business of Religare Wealth Management Limited in Fiscal 2017. We will continue to use these methods going forward with a view to increase our Relationship Managers by 25%-30% per year for the next three years. We intend to continue to seek out talent through internal referrals as well as inbound queries to further enhance and grow our business.

Using technology to create greater scalability

We have, and continue to strive to, effectively use technology to meet the changing needs of our clients, Relationship Managers and employees. We believe that increase in the use of technology is strategic and integral to our business, as it helps us standardize our business processes, improve client and Relationship Manager experience and reduce costs. We aim to leverage the technology we currently use and progress further towards a model that meets our clients’ requirements by facilitating easy on-boarding, ease in transacting and access to other relevant data through our digital platforms. Through these initiatives, we expect our client’s user experience to improve, which should enable us to build client loyalty. We have benefitted from building standardized business processes. We believe that with the rapid integration of new technology capabilities, we will be able to build better Relationship Managers’ capabilities in client acquisition and servicing. We also aim to reduce the time spent by Relationship Managers and team members in routine activities and increase substantially the time capacity available with them to handle a greater number of clients. Over the past two Fiscals, we have spent ₹337.70 million towards ‘intangible assets under development and software additions’ on a consolidated basis which has contributed towards development of technology and software.

Brand building and marketing

We believe that we have reached a critical team size and geographical spread where we can begin to use marketing and brand building, across digital channels to create a meaningful business impact. We propose to increase our brand recognition through various brand building efforts, communication and various promotional initiatives. Our marketing expenses constituted 3.81% and 3.09% of our total standalone revenue for Fiscal 2017 and Fiscal 2018, respectively. Such promotion would enhance the visibility of our brand and also enhance our business positioning and credibility. Several of our leadership team participates in various electronic media discussions around wealth management which also helps build brand visibility and helps us attract new clients.

Leverage DWM and OFA to build profitable scale in adjacent client segments

We believe that there is a significant market in clients outside the HNI and Ultra-HNI which is currently untapped because of the lack of effective use of technology in the industry. Our vision is to be a leader in the use of technology to target this market through our technology platforms, DWM and OFA. We believe that these platforms will help scale at low marginal costs, provide a unified and consistent client experience, manage regulatory compliances and improve productive capacity of our Relationship Managers, client engagement partners as well as our IFAs. We have made significant investments in strengthening these platforms, which we believe will be one of the key drivers in growing our business in a cost-effective manner.

Our Business

We provide a bouquet of wealth management services to our clients through the ARWMG. Our Company, its Subsidiaries and their activities are as detailed below:

| Name of the entity | Business details |
|---|------------------------------------|
| 1. Anand Rathi Wealth Services Limited | Private Wealth Management (PWM) |
| 2. AR Wealth Management Private Limited | Digital Wealth Management (DWM) |
| 3. Freedom Wealth Solutions Private Limited | Investment Adviser to PWM business |

We cater to our clients through our three business verticals namely, PWM, DWM and OFA.

Private Wealth Management (“PWM”)

Our PWM vertical caters to high net worth individuals (“HNIs”) and ultra HNIs (“UHNIs”) with AuA potential of more than ₹50 million. We have structured our private wealth management business on four main tenets, objective/ goal based approach wealth management, data backed recommendations, simplified approach and transparency in implementation. We are one of the leading private wealth management firms in India with PWM AuA of ₹167.02 billion, 208 Relationship Managers and 3,653 active clients families, as on July 31, 2018.

We, including through our Subsidiaries, provide wealth management solutions to our clients and facilitate client investments in various financial instruments including mutual funds, debentures including structured products, and equity derivatives for the purpose of hedging or investment strategies.

Our primary revenue stream under this vertical is distribution and sale of financial products: We are registered with the Association of Mutual Funds of India (AMFI), as a Mutual Fund Distributor (“MFD”) and distribute mutual fund products to our clients. We earn distribution commissions primarily on a trail basis from Asset Management Companies (“AMC(s)”), We are engaged with most of the leading AMCs in India. The commissions that we receive from AMCs are linked to the contribution to their respective AUM from our distribution. We also purchase structured products/ market linked non-convertible debentures and offer it to our clients. We also endeavor to facilitate in providing exit liquidity to our clients, in case required by the client. Such structured products are issued by financial institutions including Anand Rathi Global Finance Limited and other NBFCs. At times, our clients, who are desirous of creating long term hedging by entering into derivative positions on long dated Nifty options for their portfolios, approach ARWSL and, in turn our Company facilitates such trades by acting as counter-party to such trades in NIFTY options, where needed, on the recognized stock exchange.

AuA

The AuA of our PWM business the past five years is as under:

| AuA as at | AuA in ₹ billion |
|------------------|-------------------------|
| March 31, 2014 | 39.47 |
| March 31, 2015 | 56.33 |
| March 31, 2016 | 69.41 |
| March 31, 2017 | 95.81 |
| March 31, 2018 | 149.88 |
| July 31, 2018 | 167.02 |

The number of client families with respect to our PWM business was 3,330 and 3,653 as on March 31, 2018 and July 31, 2018, respectively.

Employees and manpower of PWM business

We believe that our entrepreneurial and collaborative work culture is one of the critical factors for the success of our business.

Our business structure is elaborated below:

- An employee either joins directly as a Relationship Manager or he/she is recruited as an Account Manager who provides assistance in client servicing and then later evolves in to a Relationship Manager.
- Each Relationship Manager is generally assisted by an Account Manager.

- Once the Relationship Manager gains experience in the system, he can play a role of team leader where he can actively mentor or guide newer Relationship Managers in building their businesses; each team leader typically mentors three to five Relationship Managers.
- We designate one of the team leaders at each location as unit head who takes care of the reporting and administrative work related to each location.
- Product team - This team is allowed to manage clients so they are aware of the changing requirements and customise the products according to the dynamic trends.
- Estate planning team – We have an experienced team of professionals who help our clients with estate planning solutions or succession planning through creation of wills and private family trusts, depending on the requirement of the client.

Business heads including unit heads and team leaders actively work as Relationship Managers.

We have an entrepreneurial work culture, which incentivises our Relationship Managers to maximize efforts and aligns their objectives with the corporate objectives. The incentive calculation is based on a formula which does not place any upper limit on the incentive that can be paid to our Relationship Managers. We believe that this approach encourages our Relationship Managers to prepare their own business plan and set targets for themselves. We also supplement this approach by providing adequate time to Relationship Managers to build their business.

We encourage our Relationship Managers to collaborate in their efforts towards client acquisition and management and income sharing. Our client acquisition is geographically unrestricted and we actively encourage our unit heads and team leaders to work with Relationship Managers from other locations. We use referrals by existing Relationship Managers as our main source of recruitment of new Relationship Managers.

Based on our experience, we believe that we have brought significant standardization to the entire wealth management process. We regularly train our Relationship Managers and Account Managers, thereby ensuring that a consistent service is provided to all our clients. Our strong focus on regular training has helped us in two ways – firstly, we are able to hire new Relationship Managers and train them to imbibe our wealth management process and secondly, it enables us to groom the Account Managers into Relationship Managers.

As on July 31, 2018, the classification of our employees as per the business role in our PWM business is mentioned below:

| Classification | No of Employees |
|------------------------|------------------------|
| Senior Management | 4 |
| Relationship Managers* | 208 |
| Account Managers | 206 |
| Product team | 41 |
| Others | 52 |
| Total | 511 |

**Relationship Managers also include unit heads, team leaders and product team members who manage client relationships*

A break-up of our Relationship Managers based on time spent with us as at July 31, 2018, is set out below:

| Years spent with the Anand Rathi Group | As at July 31,2018 |
|---|---------------------------|
| Less than one | 47 |
| One to two | 46 |
| Two to three | 36 |
| Three to five | 32 |

| | |
|----------------|------------|
| More than five | 47 |
| Total | 208 |

Relationship Managers who have spent more than 5 years with the Group as a Relationship Manager has an average AuA of ₹2.21 billion.

Digital wealth management (“DWM”)

Housed in AR Wealth Management Private Limited (“ARWMPL”), our offering for the mass-affluent segment, DWM seeks to combine the benefits of a human touch and a technology platform to deliver our wealth management philosophy to mass- affluent clients. Mass affluent clients form a large part of India’s wealth management business in terms of value. Individual investor’s component of total number of folios in the industry has steadily increasing over the years where mass affluent retail investors are spearheading the growth rate. (*Source – CARE Advisory Research*). Although these clients may be relatively small on an individual level, in the aggregate, however, they represent a significant asset base. Our digital platform offers integrated wealth management solutions by innovative use of technology to interact with clients and help them kick-start the process of building long term wealth *via* online/mobile based services delivered by our employees and client engagement partners.

We commenced our DWM vertical in August, 2016. This platform allows us to build an economically feasible wealth management model for services to the mass affluent market. The DWM model is built with the objective of reaching the mass affluent segment of clients who are currently being serviced largely by banking institutions and independent advisors. Our digital platform offers integrated wealth management over mobile and internet. We address the needs of our clients through a mix of self-service and on-demand assistance coupled with right tools and dash boards.

Currently, we offer these services through our mobile based application, ‘AR Wealth Management’. We believe this model is highly scalable with a disruptive channel strategy as it is not dependent on its geographical presence and can reach cities where physical scalability may not be cost effective.

Key features of DWM:

We believe that below are the key features of DWM:

- **Mass Customisation** - Our unique portfolio construct has universal appeal and allows us to offer a customised solution, yet avoiding the need to make product choices at a client level.
- **Client Interaction through Video and Tech** – At the time of on-boarding, we take clients through the entire proposition using an easy-to-understand video presentation. Ongoing, actionable information is also shared with clients in easy to consume video formats. This approach ensures that the client signs up after having understood the entire journey and is kept updated on important developments that could have a bearing on his investment portfolio.
- **Quick service** - It provides better informed, transparent and quicker services.
- **Live monitoring** – Enables real-time monitoring of portfolio against goals set by client and algorithm driven rebalancing.
- **Cost-effective** - Time saving and reduced infrastructure cost.
- **Uniform client experience** – This reduces the need for high level of human interaction

DWM caters to two set of users viz. (i) the end users whose wealth we manage; and (ii) the client engagement partners who go out and acquire these end users for the platform. We provide technology solutions that cater to both categories of users. ‘AR Wealth Management’ app is available on both the Android and iOS platforms.

Apart from the above client and client engagement partner facing applications, we have an internal portal aimed at helping operations and servicing teams in their day to day tasks and improve throughput.

As of July 31, 2018, the AuA for our DWM vertical was 2.95 billion with 8,637 folios and team strength of 34 employees. We typically cater to clients with a wealth of ₹0.1 million to ₹50 million through this vertical.

Omni Financial Advisors (“OFA”)

Omni Financial Advisors is housed in Ffreedom Intermediary Infrastructure Private Limited (“**FIINFRA**”). It is leading tech platforms for IFAs (*as on June, 2018 and in terms of subscribing IFAs*) (*Source – CARE Advisory Research*). It is a platform service for Independent Financial Advisors (“**IFAs**”) to service their clients and grow their business. This cloud-based platform provides mobile-first client reporting, online transactions and financial planning systems for IFAs and their clients, coupled with analytics. We try and ensure the highest standards of data security, completeness, quality and authentication. Our core strength is to digitally enable IFAs for better client serving. ARWMG’s domain expertise combined with tech platform has created a unique ability to scale up the business.

Within a short period of two years since its launch in September, 2016, it has become India’s leading tech platforms for IFAs (*as on June, 2018 and in terms of subscribing IFAs*) (*Source - CARE Advisory Research*) with 4,923 IFAs, over 1.86 million Platform Clients and ₹557.26 billion Platform Assets as on July 31, 2018.

We conduct roadshows / meetings with IFAs at various cities across India. An IFA has to pay an annual subscription fees for using the app. We support the IFAs with dedicated business support team. We provide separate web logins and mobile app for advisor and advisor’s clients.

Through OFA, the IFAs can strengthen their advisory business with the unique features like:

- Client reporting;
- Business dashboard;
- Client engagement;
- Online mutual fund transactions; and
- Goal planning.

This can be accessed by IFAs through a web portal and mobile application and the IFA’s client can access this through a co-branded mobile app.

Awards

We have won numerous industry awards over the years, including:

| Fiscal | Accreditation |
|--------|--|
| 2012 | Voted “The Overall Best Private Bank in India as voted by HNWI’s” in AuA US\$1m-5m category in the Asiamoney Private Banking Polls 2012* |
| 2013 | The Overall Best Private Bank in India as voted by HNWI’s : #1 in AuA>US\$25m, #4 in AuA US\$5.01m-25m, #2 in AuA US\$1m-5m category - Asiamoney Private Banking Polls* |
| 2014 | The Best Overall Private Bank in India as voted by HNWI’s : #1 in AuA> US\$25m, #1 in AuA US\$5.01m -25m Asiamoney Private Banking Polls* Ranked among the “Best Domestic Private Banks in Asia 2005-2013” in India in the Asiamoney Private Banking Poll of Polls* |
| 2015 | Best Wealth Manager India Award – Capital Finance International, London* |
| 2016 | Best Wealth Manager India Award – Capital Finance International, London* |
| 2017 | Voted the Best Wealth Manager India by Capital Finance International, London Ranked 34 in India’s Great Mid-Size Workplaces 2017 by HT Media Limited and Great Place to Work Institute India |
| 2018 | Best Wealth Manager India Award – Capital Finance International, London Great Place to Work – 2018 in the Small and Mid-Sized Organizations category, by the Great Place to Work Institute, India |

*The award was received by ARFSL for the business that was subsequently transferred to ARAL and thereafter transferred to us.

Compliance

Our compliance team aims to ensure that we comply with applicable regulations including the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, and various circulars and notifications issued by SEBI from time to time.

The compliance team is headed by Mr. Dilip Balakrishnan who acts as the Company Secretary and Compliance Officer. The compliance team consists of two other team members, who are qualified lawyers. The team looks into compliance with various laws including corporate law, rules and regulations prescribed by the RBI and SEBI. Periodic compliance checks are carried out by the team for our Company and our Subsidiaries. In addition to the same, wherever required, the external consultant/ chartered accountant also carry out the verification, especially with regard to the investment advisory role of FWSPL. The compliance officer reports to the Board of Directors and the management including the Deputy CEO, CEO and Managing Director, with regard to the various compliance matters.

Information Technology (“IT”)

We believe that information technology is one of the key catalysts that contribute to the seamless functioning of our organization and, maintaining a high standard of information technology readiness has always been a key focus area for us. Information Technology is intrinsic to our operation and embedding IT systems in the functioning of each area increases efficiency and productivity. IT plays a significant role in our operations, client service, research, risk management and all other support functions. The role of IT as a facilitator in business development is also growing continuously. We have embedded technology and digital solutions across our organisation as part of our initiatives to increase productivity, improve cost efficiencies and provide a superior client experience, in line with our vision of being a digital wealth manager. Our OFA vertical also provides a technology platform for IFAs to service their clients and grow their business. This platform provides digitisation and analytics, coupled with data management and reporting systems and dedicated team of support and technology specialists.

Further, DWM seeks to combine the benefits of a human touch (employees and client engagement partners) and a technology platform to deliver our wealth management services to clients. Our digital platform offers integrated wealth management services by innovative use of technology to interact with clients and help them kick-start the process of building long term wealth via online/mobile based services delivered by our Relationship Managers and client engagement partners.

Technology and innovation are key aspects of our efforts to provide quality service experience to our clients. We continuously evaluate our IT environment and have been upgrading our IT infrastructure and application software on a regular basis.

Our information technology systems and our commitment to continue to improve and utilize new technologies are aimed at providing competitive advantages and serving as an important driver to achieving targeted performance goals. The IT infrastructure and application software are selected after objective evaluation and due diligence. We compare our IT products with similar IT infrastructure and application software available to ensure that we arrive at optimal solutions for our business objectives. Application software is implemented after performing successful user acceptance tests, security testing and validation by independent systems auditors. Critical applications are also subjected to review by an independent agency before they are operationalized.

Cyber Security is of paramount importance and our IT assets are subjected to continuous review by independent agencies. Vulnerability assessments are also carried out from time to time. Proactive measures are taken to ensure that our systems are adequately protected against external threats. These are subject to intense scrutiny and validations in the systems audit.

Risk Management

Our risk management practices have been designed and implemented taking into consideration the varying needs of our organization, operating structure, business operations and regulatory requirements.

The Audit Committee is responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies. The management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of their respective functions.

Risk assessment and mitigation strategy is an integral part of the organization's annual business reviews. The key risk management activities include investment risk, operational and regulatory risk and business continuity.

Our internal auditor carries out internal control reviews and provides an independent report to the Audit Committee on the adequacy and effectiveness of the risk management and internal controls of the organization. Our statutory auditor carries out a review of our internal controls over financial reporting to the extent of the scope as laid out in their audit plans. Any material noncompliance and internal control weaknesses are reported to the Audit Committee.

The systems that are in place are intended to provide reasonable but not absolute assurance against material misstatements or loss, as well as to ensure the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with applicable legislation, regulations and best practices, and the identification and management of business risk.

Marketing initiatives

Currently, we conduct series of marketing events across all major locations where prospective clients are invited and our teams showcase our capabilities to these prospects in group meetings. Besides, references are the major source of client addition in our business and there is active ongoing outreach to existing clients to encourage them to provide prospect client references. We also undertake sponsorship of various programs, including at elite clubs like golf events, pre and post budget discussions and commercial policy discussions. We also leverage intellectual and informative reports on macro-economics prepared by chief economist of the Anand Rathi Group and circulate the same amongst our existing as well as prospective clients. Several of our leadership team participates in various electronic media discussions around wealth management which also helps in effective traction wealth relationship.

We believe that we have reached a critical team size and geographical spread where we can begin to use effective marketing across digital channels to create a meaningful business impact. We propose to increase our brand recognition through various brand building efforts, communication and various promotional initiatives across media including print, digital, hoardings and online platforms. Such promotion would enhance the visibility, business positioning and credibility.

Competition

We face competition in all of our main business lines. Our primary competitors differ in each respective business and include both domestic and foreign institutions.

Some of our key competitors are part of diversified financial institutions and may have greater resources and offer a broader range of investment products and services than ours.

Intellectual property

We currently hold, and use, 2 trademarks, being the OFA and the FIINFRA logos. Further, we use, among others, the name, brand and trademark 'ANANDRATHI' and associated logos in the ordinary course of our business and in our corporate name. The trademark 'ANANDRATHI' is owned by, and is currently in the process of registration in favour of, ARFSL which is licensed to us through a license agreement dated April 1, 2018.

Human Resources

As of July 31, 2018, ARWGM had 642 employees. We strive to maintain a work environment that fosters professionalism, integrity, excellence and cooperation among our employees. The following table sets forth details of our employees as of July 31, 2018:

| Employee Role | ARWSL | ARWMPL | FIINFRA | FWSPL | Total |
|------------------------------|------------|-----------|-----------|----------|------------|
| Senior Management | 4 | 1 | 1 | - | 6 |
| Relationship Manager | 208 | - | - | - | 208 |
| Business Development Manager | - | 17 | 22 | - | 39 |
| Account Manager | 206 | - | - | - | 206 |
| Product Team | 41 | 2 | 4 | 3 | 50 |
| Others | 52 | 14 | 67 | - | 133 |
| Total | 511 | 34 | 94 | 3 | 642 |

Insurance

We maintain insurance policies with respect to certain private four wheelers, fire and special perils. We do not have any key man insurance policy in place, and are not insured against business interruption, consequential damages, environmental damages, terrorist acts and war - related events.

Properties

Our Registered Office is located at 4th floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400063, Maharashtra and is occupied by us, pursuant to a leave and license agreement dated November 24, 2015 and a cost sharing agreement dated April 1, 2017. Our Corporate Office is located at 11th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra which is occupied by us, pursuant to a leave and license agreement dated March 24, 2017 and an agreement dated April 2, 2018.

As of March 31, 2018 we had the following branches/ offices across India which are leased by us:

| Sr. No. | City | Address | Business |
|---------|-----------|--|----------|
| 1. | Bangalore | 9 th Floor, Tower A, The Millenia, Murphy Road, Halasuru, Bangalore 560008 | PWM |
| 2. | Chennai | No. 471, Ground Floor Prestige Polygon, Anna Salai, Nandanam, Chennai 600035 | PWM |
| 3. | Delhi | A-254, Defence Colony, New Delhi | PWM |
| 4. | Goa | B-301, 3rd Flr B Block Reliance Trade Centre Opp. Grace Nursing Home, Varde Valualikar Road, Margao | PWM |
| 5. | Gurgaon | Unit No. 716 and 717, 7 th Floor, DLF Star Tower, Sector-30, NH-8, Gurgaon 122001 | PWM |
| 6. | Hyderabad | 4 th Floor 1217/A Veda Rak Road No.36, Jubilee Hills, Hyderabad 500033 | PWM |
| 7. | Kolkata | 5 th Floor, J.K. Millenium Centre 48, Jawaharlal Nehru Rd, Birla Planetarium, Kankaria Estates, Park Street Area, Kolkata, West Bengal 700087 | PWM |
| 8. | Mumbai | 11 th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel Mumbai 400 013 | PWM |
| 9. | Mumbai | 2 nd Floor, Seagull House, Shivaji Colony, off. Andheri Kurla Road, Chakala, Andheri (East), Mumbai 400099 | OFA |

| Sr. No. | City | Address | Business |
|----------------|-------------|--|-----------------|
| 10. | Mumbai | 10 th Floor, Trade D Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 | DWM |
| 11. | Pune | 3024/6, Nanda Deep, Shivaji Nagar, Senapati Bapat Road, opp. Patrakar Road, Pune 411005 | PWM |

REGULATIONS AND POLICIES IN INDIA

The following is a brief of certain sector specific Indian laws and regulations which are relevant to our Company's and Subsidiaries' business. The overview set out below is not exhaustive and is only intended to provide general information, and is neither designed, nor intended, to be a substitute for professional legal advice. For details of government approvals obtained by our Company in compliance with these regulations, please see "Government and Other Approvals" on page 369 of this Draft Red Herring Prospectus. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

KEY REGULATIONS APPLICABLE TO OUR COMPANY AND SUBSIDIARIES

A. SEBI Regulations

Securities and Exchange Board of India Act, 1992 ("SEBI Act")

The SEBI Act, amongst other things, provides for powers, functions and duties of SEBI. The duties of SEBI include (a) protection of the interests of investors investing in securities, and (b) promotion of the development and regulation of the securities market, by such measures as it thinks fit. The SEBI Act provides for grant of registration of merchant banker, underwriter, portfolio manager, investment adviser, depository participant or any other intermediaries associated with the securities market, which are to be governed by various regulations notified by SEBI.

Intermediaries Regulations

The Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended ("**Intermediaries Regulations**") regulates intermediaries which include stock broker, sub-broker, share transfer agent, merchant banker, portfolio manager, investment adviser, a trading member of a derivative segment or currency derivatives segment of a stock exchange. The Intermediaries Regulations prescribe the criteria for determining whether an applicant or the intermediary is a 'fit and proper person' for the purposes of registrations granted by SEBI under various regulations issued by SEBI.

The Intermediaries Regulations empower SEBI to take actions against persons who have been granted a certificate of registration and have failed to comply with any conditions subject to which a certificate of registration has been granted to him or contravenes any of the provisions of the securities laws or directions, instructions or circulars issued thereunder. The actions include (a) suspension of certificate of registration for a specified period, (b) cancellation of certificate of registration, (c) prohibition of taking up new assignment or contract or launch a new scheme, or (d) debarment of a branch from carrying out activities or a principal officer from being employed or associated with any registered intermediary or other registered person for the period specified in the order.

Investment Advisers Regulations

The Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, as amended ("**Investment Advisers Regulations**") govern the law pertaining to registration and regulation of the working of investment advisers. An investment adviser is a person, who for consideration, is engaged in the business of providing investment advice to clients and includes any person who holds out himself as an investment adviser. In terms of the Investment Advisers Regulations, an investment advice means an advice relating to investing in, purchasing, selling or otherwise dealing in securities or investment products, and advice on investment portfolio containing securities or investment products, whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning. "financial planning" includes analysis of clients' current financial situation, identification of their financial goals, and developing and recommending financial strategies to realize such goals.

The Investment Advisers Regulations lay down, amongst other things, the obligations and responsibilities of investment advisers including (a) not receiving any consideration by way of remuneration or compensation or in any other form from any person other than the client being advised, in respect of the underlying products or securities for which advice is provided, (b) acting in a fiduciary capacity towards its clients and disclosing conflicts of interests as and when they arise (c) maintaining an arms-length relationship between its activities as

an investment adviser and other activities, (d) ensuring that its investment advisory services are clearly segregated from all its other activities, (e) ensuring that in case of any conflict of interest of the investment advisory activities with other activities, such conflict of interest is disclosed to the client, (f) not divulging any confidential information about its client, which has come to its knowledge, without taking prior permission of its clients, and (g) maintaining the records prescribed under the Investment Advisers Regulations. An investment adviser shall not act on its own account, knowingly to sell securities or investment products to or purchase securities or investment product from a client. In case of change in control of the investment adviser prior approval from SEBI is required to be taken.

The Investment Advisers Regulations stipulate liability for action in case of default by an investment adviser, which include (a) failure to furnish any information relating to its activity as an investment adviser as required by SEBI; (b) furnishing of false or misleading information to SEBI in any material particular; (c) failure to submit periodic returns or reports as required by SEBI; (d) non co-operation in any enquiry, inspection or investigation conducted by SEBI; or (e) failure to resolve the complaints of investors or failure to give a satisfactory reply to SEBI in this behalf.

As per the current provisions of the Investment Advisers Regulations, a distributor of mutual funds who is a member of the Association of Mutual Funds in India (“AMFI”) and is providing any investment advice to its clients which is incidental to its primary activity is exempted from being registered as an investment adviser under the Investment Advisers Regulations. SEBI has in their frequently asked questions also clarified that mutual fund distributors registered with AMFI can only provide basic advice to its mutual funds clients incidental to its distribution activity. Incidental activities with respect to distribution of mutual funds means providing basic advice pertaining to investment in mutual fund schemes limited to such schemes / products being distributed by the distributor to its clients/ investors or any other mutual fund product. SEBI has also clarified that if a distributor of mutual fund is engaged in providing investment advice to general investors other than or in addition to its mutual fund clients, and in securities (such as shares, debentures, bonds, derivatives, securitized instruments, structured products, units of AIF, real estate investment trusts, infrastructure investment trusts, etc.) other than or in addition to mutual fund schemes distributed by him, then such distributor is required to get registration as an investment adviser. SEBI has however, from time to time, issued Consultation Papers setting out proposals to amend the Investment Advisers Regulations. Our Company will be required to comply with any directions issued by SEBI in the future and/or amendment made to the Investment Advisers Regulations, concerning the activities of Anand Rathi Group.

SEBI Circular on Mutual Fund Distributors

SEBI by way of its circulars no. CIR No.10 / 310 /01 dated September 25, 2001, MFD/CIR/20/23230/2002 dated November 28, 2002, SEBI/MFD/CIR No.01/6693/03 dated April 3, 2003, SEBI/IMD/CIR No.2/254/04 dated February 4, 2004 and Cir / IMD / DF / 5 / 2010 dated June 24, 2010, has *amongst others* directed that (a) agents/ distributors of mutual fund units are required to obtain certification from the National Institute of Securities Markets (“NISM”) and registration from AMFI, (b) AMFI shall create a unique identity number of the employee/ relationship manager/ sales person of the distributor interacting with the investor for the sale of mutual fund products, in addition to the AMFI Registration Number (“ARN”) of the distributor.

SEBI by way of its circular no MFD/CIR/ 06/210/2002 dated June 26, 2002 provided that all distributors and agents of mutual funds units are required to follow the code of conduct for intermediaries of mutual funds provided therein.

SEBI by way of circular no. SEBI/IMD/DF/13/2011 dated August 22, 2011 has provided guidance on due diligence process to be conducted by AMCs on certain categories of distributors

SEBI by way of its circular on “*Facilitating transaction in mutual fund schemes through the stock exchange infrastructure*” bearing reference number CIR/IMD/DSA/32/2013 dated October 4, 2013 permitted only a mutual fund distributor registered with the Association of Mutual Funds in India (“AMFI”) and who has been permitted by the BSE to be eligible to use the stock exchanges' infrastructure to purchase and redeem mutual fund units directly from mutual fund and assets management companies, in addition to the existing channels of mutual funds distribution. The recognized stock exchange shall grant permission to a mutual fund distributor on a request made by a AMFI registered mutual fund distributor on the basis of criteria including fee, code of conduct as laid down by AMFI. Additionally, it clarified that a mutual fund distributor shall not handle payout and pay in of funds as well as units on behalf of investors. The recognized stock exchange shall put necessary

system in place to ensure that pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demit account of investors.

SEBI by its circular on “*Categorization and Rationalization of Mutual Fund Schemes*”, bearing reference number SEBI/HO/IMD/DF3/CIR/P/2017/114 dated October 6, 2017 (“**SEBI Circular**”) has specified the framework for categorization and rationalization of mutual fund schemes. This circular is applicable to the open-ended schemes of the mutual funds, which are either existing, or are in the process of being launched, or draft of the scheme document has been filed/ will be filed with SEBI. Pursuant to the SEBI Circular the mutual fund schemes are classified under five groups, namely, equity schemes, debt schemes, hybrid schemes, solution oriented schemes and other schemes. These five groups collectively have 36 different categories of each of these schemes under them, details of which are provided in the SEBI Circular. Further, the investment objective, investment strategy and benchmark of each existing scheme, is required to be suitably modified to be aligned with these classifications.

In relation to investment universe for the equity schemes, the SEBI Circular has defined large cap, mid cap & small cap companies in terms of full market capitalization, as: (a) large cap to be in the range of 1st-100th; (b) mid cap falling under 101st-250th; and (c) small cap to be a company which is 251st onwards. In this regard, mutual funds will be required to adopt the list of stocks prepared by AMFI and in the event of any updation thereto, mutual funds will have to rebalance their portfolios as per the updated list, within a period of one month thereof.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, (“**Insider Trading Regulations**”) prohibits subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, or deal in any securities by an insider on the basis of having possession or access to the unpublished price sensitive information of a listed entity. An insider is a person who is connected with the company and is reasonably expected to have certain price sensitive information in respect of the securities of the company or has received or has access to certain unpublished price sensitive information. In accordance with the Insider Trading Regulations, no insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person. Any information is referred to as price sensitive information if it is likely to materially affect the price of the securities of the company to which it relates.

The Insider Trading Regulations essentially prescribes a model code of conduct to be followed by all companies and organizations associated with the securities markets. Under the Insider Trading Regulations, all listed companies and organizations associated with the securities market including, amongst other, intermediaries as defined under the SEBI Act, asset management companies, trustees of mutual funds are under an obligation to formulate certain internal procedures and conduct following the model code of conduct as provided under the Insider Trading Regulations and will further abide with the code of corporate disclosure practices.

AMFI Directions

AMFI issues circulars from time to time to its members on various aspects relating to distribution of mutual fund schemes by distributors.

OTHER APPLICABLE LAWS

Shops and Commercial Establishments legislations in various states

Under the provisions of local shops and commercial establishment legislations applicable in the states in which establishments are set up, establishments are required to be registered under the respective legislations. Contravention to provision of shops and commercial establishment legislations may entail penalty including imprisonment along with fine. These legislations regulate the condition of work and employment in shops and commercial establishments and generally prescribe obligations in respect of registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work, among others.

Trade Marks Act, 1999

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for 10 years unless cancelled. If not renewed after 10 years, the mark lapses and the registration has to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the GoI to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

B. Miscellaneous

In addition to the above, an entity operating in the securities market in India, is required to comply with applicable securities laws in India, including, amongst others, the Takeover Regulations, the Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices) Regulations, 2003, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Employees’ Compensation Act, 1923, Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Employees’ State Insurance Act, 1948, Payment of Gratuity Act, 1972 and Payment of Bonus Act, 1965.

HISTORY AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was incorporated at Mumbai on March 22, 1995 as Hitkari Finvest Private Limited, a private limited company under the Companies Act, 1956. The details of changes to its name are set out below:

Changes to the name of our Company:

| Name | Reason for change | Date of certificate of incorporation/ fresh certificate of incorporation/ effective date of change of name |
|---|--|--|
| AR Venture Funds Management Private Limited | To reflect the objective of our Company. | April 6, 2005 |
| AR Venture Funds Management Limited | Conversion to a public limited company pursuant to Sections 31 and 21 read with Section 44 of the Companies Act, 1956. | March 8, 2007 |
| AR Venture Funds Management Private Limited | Conversion to a private limited company pursuant to Section 14 read with Section 18 of the Companies Act, 2013. | July 7, 2015 |
| AR Venture Funds Management Limited | Conversion to a public limited company pursuant to Section 14 read with Section 18 of the Companies Act, 2013. | April 3, 2017 |
| Anand Rathi Wealth Services Limited | To reflect the objective of our Company of wealth management business. | July 6, 2017 |

Business and management

For a description of our activities, technological competence, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our products, management, major customers, regional geographical segment, *etc.*, see “*Our Business*” on page 142 of this Draft Red Herring Prospectus. For details of the management of our Company and its managerial competence, see “*Our Management*” on page 169 of this Draft Red Herring Prospectus.

Changes to the address of the Registered Office of our Company

| Change in Address | | Date of change | Reason |
|---|---|-------------------|------------------|
| From | To | | |
| 11/850, M.H.B. Colony, Gorai Road, Borivali (West), Mumbai 400 091, Maharashtra | 9, Parekh Vora Chambers, 66, Nagindas Master Road, Fort, Mumbai 400 023, Maharashtra | March 22, 1995 | Ease of business |
| 9, Parekh Vora Chambers, 66, Nagindas Master Road, Fort, Mumbai 400 023, Maharashtra | Podar Chamber, 2 nd Floor, 109, SA Brelvi Road, Fort, Mumbai 400 001, Maharashtra | July 10, 2001 | Ease of business |
| Podar Chamber, 2 nd Floor, 109, SA Brelvi Road, Fort, Mumbai 400 001, Maharashtra | J.K Somani Building, 3 rd Floor, Bombay Samachar Marg, British Hotel Lane, Mumbai 400 023, Maharashtra | November 23, 2001 | Ease of business |
| J.K Somani Building, 3 rd Floor, Bombay Samachar Marg, British Hotel Lane, Mumbai 400 023, Maharashtra | Shubham Centre, B-2, 5 th Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099, Maharashtra | May 9, 2007 | Ease of business |
| Shubham Centre, B-2, 5 th Floor, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099, Maharashtra | 4 th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400 063, Maharashtra | December 23, 2009 | Ease of business |

Major events and milestones

The table sets forth some of the major events in the history of our business:

| Fiscal | Particulars |
|---------------|--|
| 2002 | ARFSL received the certificate of registration from the Association of Mutual Funds in India with respect to its mutual fund distribution business. |
| 2008 | Our Company entered into contractual arrangement with ARFSL to use their premises to commence overseas operations in Dubai; and expanded wealth operations in India by setting up office in Delhi. |
| 2015 | AuA of wealth management business of ARFSL crossed ₹ 50,000 million. |
| 2016 | Our Subsidiary, AR Wealth Management Private Limited, acquired Freedom Wealth Solutions Private Limited (involved in investment advisory business) and Ffreedom Intermediary Infrastructure Private Limited. |
| 2017 | Our Company acquired the mutual fund distribution business of ARAL which ARAL had acquired from ARFSL. |
| 2017 | Our Company acquired the private wealth management business from Religare Wealth Management Limited. |
| 2018 | Our Company expanded wealth operations in eastern India by setting up office in Kolkata. |
| 2018 | AuA of our Company crossed ₹ 150,000 million. |

Certifications, Awards and Accreditations received by our business

| Fiscal | Accreditation |
|---------------|--|
| 2012 | Voted “The Overall Best Private Bank in India as voted by HNWI’s” in AuA US\$1m-5m category in the Asiamoney Private Banking Polls 2012* |
| 2013 | The Overall Best Private Bank in India as voted by HNWI’s : #1 in AuA>US\$25m, #4 in AuA US\$5.01m-25m, #2 in AuA US\$1m-5m category - Asiamoney Private Banking Polls* |
| 2014 | The Best Overall Private Bank in India as voted by HNWI’s : #1 in AuA> US\$25m, #1 in AuA US\$5.01m -25m Asiamoney Private Banking Polls* Ranked among the “Best Domestic Private Banks in Asia 2005-2013” in India in the Asiamoney Private Banking Poll of Polls* |
| 2015 | Best Wealth Manager India Award – Capital Finance International, London* |
| 2016 | Best Wealth Manager India Award – Capital Finance International, London* |
| 2017 | Voted the Best Wealth Manager India by Capital Finance International, London Ranked 34 in India’s Great Mid-Size Workplaces 2017 by HT Media Limited and Great Place to Work Institute India |
| 2018 | Best Wealth Manager India Award – Capital Finance International, London Great Place to Work – 2018 in the Small and Mid-Sized Organizations category, by the Great Place to Work Institute, India |

*The award was received by ARFSL for the business that was subsequently transferred to ARAL and thereafter transferred to us.

Main objects

The main objects of our Company as per the Memorandum of Association are:

1. To carry on the activities of raising or acquiring funds for and managing venture capital funds, offshore funds, pension funds, provident funds, insurance funds, or any other funds and to act as managers, consultants, advisors, administrators, attorneys, agents, or representative of or for venture capital funds, offshore funds, pension funds, provident funds, insurance funds, or any other funds formed or established in India or abroad by the company or any other person or by any government, state, local authority, association, institution or any other agency or organization.
2. To act as Financial Advisors and Investment Advisors and to render such financial management, financial consultancy and advisory services to individuals, companies, corporations, trusts and other entities as supplemental activity of the company.
3. To act as the wealth managers, financial consultants, management consultants, advisors and provide consultancy, advisory, financial services and facilities of every description and to manage and mobilise funds and assets off/for various companies, mutual fund, individual investors, firms, associations and other bodies corporate, private and institutional investors and carry on the activities of managing investment in

equity and derivative instruments, structured products, commodities and commodity derivatives, currency and currency derivatives, debt instruments, mutual funds, government securities, saving instruments, insurance products, money market instruments and securities of all types and artworks and to promote, support and to carry on the business of providing wealth management services to the individuals, firms, associations, institutions, corporate and body corporate and to pass on the benefits of such investments as interest, dividend, bonus, etc.

4. *To carry on all kinds of agency business and to act as advisors, consultants, agents, sub-agents, brokers, distributors, sellers of Deposits, loans, Mutual Funds, shares, stocks, debentures, Bonds, Government securities, insurance products, National Savings Certificates and such other financial, investment, personal loans, home loans products, securities and debt instruments and real estate including residential, commercial, agricultural land, plots, shops etc. and to acquire and hold one or more memberships/dealership with or without trading privileges of associations of bankers, associations of mutual funds, merchant bankers, insurance companies, fund managers, brokers, securities dealers or commodity dealers, clearing houses, stock exchanges, commodity exchanges in India or any part of the world which will or is likely in any way to facilitate the conduct of the company's business."*

The main object and objects incidental and ancillary to the attainment of the main objects, as contained in the Memorandum of Association, enable our Company to carry on its existing business.

Changes to our Memorandum of Association

Our Memorandum of Association was amended from time to time pursuant to sub-division, or reclassification of, the authorised share capital of our Company. For details of changes to the authorised share capital of our Company since its incorporation, please see "*Capital Structure*" on page 81 of this Draft Red Herring Prospectus.

For details of changes to the name of our Company, see "*Changes to the name of our Company*" above on page 162 of this Draft Red Herring Prospectus.

In addition to the aforesaid amendments to the Memorandum of Association, the following changes have been made to the objects of our Company in our Memorandum of Association, since incorporation:

| Date of the shareholders' resolution | Nature of amendment |
|---|---|
| March 21, 2005 | <p>Clause Nos. 1 & 2 of the main objects of our Memorandum of Association were amended to reflect the following:</p> <p style="padding-left: 40px;">“1. To carry on the activities of raising or acquiring funds for and managing venture capital funds, offshore funds, pension funds, provident funds, insurance funds, or any other funds and to act as a managers, consultants, advisors, administrators, attorneys, agents or representative of or venture capital funds, offshore funds, pension funds, provident funds, insurance funds or any other funds formed or established in India or abroad by the company or any other person or by any government, state, local authority, association, institution or any other agency or organisation.</p> <p style="padding-left: 40px;">2. To act as Financial Advisors and Investment Advisors and to render such financial management, financial consultancy and advisory services to individuals, companies, corporation, trusts and other entities as supplemental activity of the company.”</p> <p>And the existing Clause No. 5 of the objects incidental or ancillary to the attainment of the main objects was replaced by the following:</p> <p style="padding-left: 40px;">“5. To promote and/ or sponsor Venture Capital Funds in the form of a Trust, a Company, a partnership firm or any other body as may be allowed in laws of the country, in India and abroad and to act as trustee, partner, member for such trust,</p> |

| Date of the shareholders' resolution | Nature of amendment |
|--------------------------------------|--|
| | Company, partnership firm or other body.” |
| March 22, 2017 | <p>Clause Nos. 3 and 4 of the main objects of our Memorandum of Association was added to reflect the following:</p> <p>“3. To act as the wealth managers, financial consultants, management consultants, advisors and provide consultancy, advisory, financial services and facilities of every description and to manage and mobilise funds and assets of/for various companies, mutual fund, individual investors, firms, associations and other bodies corporate, private and institutional investors and carry on the activities of managing investment in equity and derivative instruments, structured products, commodities and commodity derivatives, currency and currency derivatives, debt instruments, mutual funds, government securities, saving instruments, insurance products, money market instruments and securities of all types and artworks and to promote, support and to carry on the business of providing wealth management services to the individuals, firms, associations, institutions, corporate and body corporate and to pass on the benefits of such investments as interest, dividend, bonus, etc.</p> <p>4. To carry on all kinds of agency business and to act as advisors, consultants, agents, sub-agents, brokers, distributors, sellers of Deposits, loans, Mutual Funds, shares, stocks, debentures, Bonds, Government securities, insurance products, National Savings Certificates and such other financial, investment, personal loans, home loans products, securities and debt instruments and real estate including residential, commercial, agricultural land, plots, shops etc. and to acquire and hold one or more memberships/dealership with or without trading privileges of associations of bankers, associations of mutual funds, merchant bankers, insurance companies, fund managers, brokers, securities dealers or commodity dealers, clearing houses, stock exchanges, commodity exchanges in India or any part of the world which will or is likely in any way to facilitate the conduct of the company s business.”</p> <p>Clause Nos. 56 to 98 of the other objects of our Memorandum of Association were deleted.</p> |

Our Shareholders

Our Company has 219 Shareholders as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see “*Capital Structure*” on page 81 of this Draft Red Herring Prospectus.

Details regarding acquisition of business/ undertakings, mergers and amalgamation

Transfer of business from ARFSL to ARAL and subsequently to our Company

ARFSL, an AMFI registered mutual fund advisor and a SEBI registered portfolio manager and investment advisor, transferred its core businesses (i.e. mutual fund distribution business and portfolio management business and investment advisor business) in Fiscal 2016 to ARAL, which held a merchant banker registration, with a view to achieving a simplified business structure and facilitating a dedicated management structure for its core businesses.

Subsequently, in Fiscal 2017, ARAL further transferred its mutual fund distribution business to our Company.

Share Purchase and Shareholders' agreement

Acquisition of FWSPL and FIINFRA

A shareholders' agreement dated August 10, 2016 was entered into between our Company, Mr. Anand Rathi, Mr. Amit Rathi and Ms. Supriya Rathi (collectively referred to as "**Anand Rathi Group Shareholders**"), certain other Anand Rathi Group Shareholders, AR Wealth Management Private Limited ("**ARWMPL**") (a subsidiary of our Company), and Mr. Sumeet Vaid, Sumeet Surindernath Vaid HUF, Ms. Menka Vaid, Ms. Nandita Sud, Ms. Swati Agrawal, Mr. Bhupendra Sharma, Mr. Jitendra Tanna, Ms. Anisha Chaturvedi, Techno Auto-Components (I) Private Limited, Mr. Jayant Davar, Mr. Vikram Nirula, Mr. Sujan Sinha, Mr. Harshavardhan Raghunath, Parth Infracon Private Limited, Mr. Sandeep Parwal, Ms. Honey Parwal and Mr. Sandeep Parekh (collectively referred to as the "**Other Shareholders**") (erstwhile shareholders of FWSPL (the "**ARWMPL Shareholders Agreement**"), pursuant to share purchase agreements entered into between each of the Other Shareholders, ARWMPL and FWSPL. Under the aforementioned share purchase agreements, the Other Shareholders of FWSPL agreed to sell their entire shareholding in FWSPL to ARWMPL, aggregating to 2,496,381 equity shares in FWSPL for 850,000 equity shares of ARWMPL in aggregate.

The key provisions of the ARWMPL Shareholders Agreement are summarized below:

Board of Directors: The Anand Rathi Group Shareholders will have sole control of ARWMPL and the board of directors of ARWMPL and any committees formed thereunder shall be responsible for the management, supervision, direction and control of ARWMPL. The Chairman of the board of directors at all times will be a nominee of the Anand Rathi Group Shareholders.

Operations and day to day management of ARWMPL: The Anand Rathi Group Shareholders, through their nominees appointed as directors, will continue to operate and manage the business of ARWMPL on a day to day basis.

Transfer of shares:

- a) The Other Shareholders are required to obtain the prior written consent of the Anand Rathi Group Shareholders for transfer of equity shares of ARWMPL, subject to a put option available with the Other Shareholders (the put option would be exercisable at the end of 18 months from the date of allotment of equity shares of ARWMPL, against the Anand Rathi Group Shareholders except Mr. Sumeet Vaid, Mrs. Menka Vaid and Sumeet Vaid HUF).
- b) The Anand Rathi Group Shareholders have a right of first refusal in case any of the Other Shareholders decide to sell any equity shares of ARWMPL.
- c) The Anand Rathi Group Shareholders have a right to drag along the Other Shareholders (subject to certain conditions) in the event the Anand Rathi Group Shareholders intend to transfer equity shares of ARWMPL to any third person.

Exit rights: The Anand Rathi Group Shareholders have an option to offer an exit to the Other Shareholders in the event of an increase in the share capital of ARWMPL, which may result in dilution of shareholding of the Other Shareholders in ARWMPL.

Acquisition of wealth management business from Religare Wealth Management Limited

An asset purchase agreement dated February 17, 2017 was entered into between our Company, Religare Wealth Management Limited ("**RWML**"), ARAL, ARSSBL, which was amended on March 15, 2017 and, subsequently, again on March 30, 2017 (the "**Asset Purchase Agreement**"), for the purchase of assets pertaining to the mutual fund products distributed by RWML, assets pertaining to the third party venture capital fund products, alternate investment fund products, structured products and portfolio management services distributed by RWML and assets in relation to purchase and sale transactions entered into by RWML in relation to listed equity shares, debentures, exchange traded funds, exchange traded futures and options and similar securities through Religare Securities Limited (acting in its capacity as a stock broker) by our Company. The total consideration for the asset purchase was ₹ 80 million payable by our Company in two tranches, i.e. the first tranche of ₹ 60 million upon completion of certain conditions precedent (closing) and the second tranche of ₹ 20 million upon completion of additional conditions precedent, namely, cancellation of registration number allotted by AMFI to RWML as a registered mutual fund distributor and transfer by RWML to our Company of at least 50% of the combined value of the mutual funds underlying the assets sold by RWML to our Company and the portfolio management services underlying the assets sold by RWML to our Company ("**Milestone Event**").

Other material agreements

Our Company has not, in the last two years preceding this Draft Red Herring Prospectus, entered into any material contracts, in respect to which there is any obligation subsisting as on the date of the filing of this Draft Red Herring Prospectus, not being a contract entered into in the ordinary course of business.

Strikes and lock-outs

We have not experienced any strikes, lock-outs or instances of labour unrest in the past.

Time and Cost Overrun in setting up projects by our Company

We have not encountered any time and cost overruns in respect of our business.

Changes in the activities of our Company

Except for changes to our business that have occurred pursuant to the acquisitions and the transfer, as stated above on page 165 and 166 of this Draft Red Herring Prospectus, there have been no changes in the activities of our Company during the last five years preceding the date of this Draft Red Herring Prospectus which may have had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

The transfer of wealth management business from ARAL to our Company and the acquisition of wealth management business from Religare Wealth Management Limited over the last two years has had a material impact on our profit. For details regarding profits of our Company, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 331 of this Draft Red Herring Prospectus.

Defaults or rescheduling of borrowings from financial institutions/ banks, conversion of loans into equity by our Company

There are no defaults or rescheduling of borrowings with financial institutions, banks, conversion of loans into equity.

Capital raising (Debt / Equity)

For details regarding any capital raising through equity or debt, see “*Financial Indebtedness*” and “*Capital Structure*” on pages 353 and 81 of this Draft Red Herring Prospectus, respectively.

Injunctions or restraining orders against our Company

As on the date of this Draft Red Herring Prospectus, there are no injunctions/ restraining orders that have been passed against our Company.

Holding company

As on the date of this Draft Red Herring Prospectus, our Company is not a subsidiary of any company.

Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries, namely, AR Wealth Management Private Limited, Freedom Wealth Solutions Private Limited and Ffreedom Intermediary Infrastructure Private Limited (which is a step down subsidiary of AR Wealth Management Private Limited). For details regarding the Subsidiaries of our Company, see “*Our Group Companies*” on page 201 of this Draft Red Herring Prospectus.

Strategic and financial partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any strategic or financial partners.

Guarantees provided by the Promoter Selling Shareholder

As of the date of this Draft Red Herring Prospectus, the Promoter Selling Shareholder has not provided any guarantees on behalf of our Company.

Revaluation of assets

Except as disclosed in “*Other Regulatory and Statutory Disclosures*” on page 371, our Company has not revalued its assets.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, unless otherwise determined by our Company in a general meeting, our Company is required to have not less than three and not more than 15 Directors. Our Company currently has eight Directors, comprising two Executive Directors, and six Non-Executive Directors, of which four are Independent Directors (including one woman Director). The following table sets forth the details regarding the Board as on the date of this Draft Red Herring Prospectus:

| Name, Address, Designation, Occupation, Nationality, Term and DIN | Age (Years) | Other Directorships |
|--|-------------|--|
| <p>Mr. Anand Rathi</p> <p><i>Address:</i> A-274, Kalpataru Horizon, S. K. Ahire Marg, Worli, Mumbai 400018</p> <p><i>Designation:</i> Chairman and Non-Executive Director</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00112853</p> | 72 | <p>Indian companies:</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • 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. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • Anand Rathi Financial Services Limited; • Anand Rathi Global Finance Limited; • Anandrathi Housing Finance Limited; and • Emami Cement Limited. <p><u>Companies incorporated under section 25 of the Companies Act, 1956:</u></p> <ul style="list-style-type: none"> • IMC Chamber of Commerce and Industry; and • Pushpalata Rathi Foundation. |
| <p>Mr. Pradeep Gupta</p> <p><i>Address:</i> 301-C, Beaumonde Tower, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025</p> <p><i>Designation:</i> Non-Executive Director</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00040117</p> | 51 | <p>Indian companies:</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • Anand Rathi International Ventures (IFSC) Private Limited; • AR Trustee Company Private Limited; • Ashadeep Holdings (India) Private Limited; • Daman Ganga Textiles Private Limited; • Jaipur Securities Private Limited; • Jakheta Finances Private Limited; • Network Synthetics Private Limited; • PKG Finstock Private Limited; • Rukmani Mercantile Private Limited; and • Swati Capitals Private Limited. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • Anand Rathi Advisors Limited; • Anand Rathi Financial Services Limited; • Anand Rathi Global Finance Limited; • Anand Rathi Share And Stock Brokers Limited; and • Anand Rathi Wealth Advisors Limited. |

| Name, Address, Designation, Occupation, Nationality, Term and DIN | Age (Years) | Other Directorships |
|--|-------------|---|
| <p>Mr. Amit Rathi</p> <p><i>Address:</i> A-274, Kalpataru Horizon, S. K. Ahire Marg, Worli, Mumbai 400 018</p> <p><i>Designation:</i> Managing Director</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of three years with effect from April 1, 2017</p> <p><i>DIN:</i> 00029791</p> | 43 | <p>Indian companies:</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • AR Trustee Company Private Limited; • Amit Rathi Wealth Management Private Limited; and • AR Wealth Management Private Limited. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • Anand Rathi Advisors Limited; • Anand Rathi Commodities Limited; • Anand Rathi Financial Services Limited; • Anand Rathi Global Finance Limited; and • Anand Rathi Wealth Advisors Limited. <p><u>Companies incorporated under section 25 of the Companies Act, 1956:</u></p> <ul style="list-style-type: none"> • Pushpalata Rathi Foundation. |
| <p>Mr. Rakesh Rawal</p> <p><i>Address:</i> Flat No F-3 Spencer Court, No. 05 Spencer Road, Frazer Town, Bengaluru 560005</p> <p><i>Designation:</i> Executive Director and Chief Executive Officer</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation and appointed as a Chief Executive Officer for a period of three years with effect from April 1, 2017</p> <p><i>DIN:</i> 02839168</p> | 62 | <p>Indian companies:</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • AR Wealth Management Private Limited; and • Freedom Wealth Solutions Private Limited. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • Anand Rathi Wealth Advisors Limited. |
| <p>Mr. Mohan Tanksale</p> <p><i>Address:</i> C-3105, 31st Floor, Oberoi Exquisite, Goregaon (East), Mumbai 400 063</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Consultant</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years, subject to regularisation at the ensuing AGM*</p> <p><i>DIN:</i> 02971181</p> | 65 | <p>Indian companies:</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • Green Bridge Capital Advisory Private Limited; • Green Bridge Housing Finance Private Limited; • New Opportunity Consultancy Private Limited; and • SIS Prosegur Holdings Private Limited. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • Ladderup Finance Limited; • Raja Bahadur International Limited; • Ramuka Capital Markets Limited; and • Yes Asset Management (India) Limited. |

| Name, Address, Designation, Occupation, Nationality, Term and DIN | Age (Years) | Other Directorships |
|--|-------------|---|
| <p>Mr. Ramesh Chandak</p> <p><i>Address:</i> 1202, Shrushti Towers, Old Prabhadevi Road, Behind Bengal Chemical Building, Prabhadevi, Mumbai 400 025</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years, subject to regularisation at the ensuing AGM</p> <p><i>DIN:</i> 00026581</p> | 71 | <p>Indian companies</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • Indianivesh Fund Managers Private Limited. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • Global Procurement Consultants Limited; • KEC International Limited; • Parag Milk Foods Limited; • Prince Pipes and Fittings Limited; and • Summit Securities Limited. |
| <p>Mr. Kishan Gopal Somani</p> <p><i>Address:</i> 163, Tagore Park, Dr. Mukherjee Nagar, Model Town, Delhi 110 009</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years, subject to regularisation at the ensuing AGM</p> <p><i>DIN:</i> 00014648</p> | 79 | <p>Indian companies:</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • K.G. Somani Insolvency Professionals Private Limited; and • K.G. Somani Management Consultants Private Limited. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • KEI Industries Limited; and • NTB Bowsmith Irrigation Limited. |
| <p>Ms. Sudha Navandar</p> <p><i>Address:</i> Flat no.603,604/209, Anita Kutir CHS, HIG Colony, 90 feet road, Opposite State Bank of India, Near Ganpati Mandir, Ghatkopar (East) Mumbai 400 075</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years, subject to regularisation at the ensuing AGM*</p> <p><i>DIN:</i> 02804964</p> | 51 | <p>Indian companies:</p> <p><u>Private companies:</u></p> <ul style="list-style-type: none"> • Kshitij Capital Advisors Private Limited. <p><u>Public companies:</u></p> <ul style="list-style-type: none"> • Goa Glass Fibre Limited; and • Route Mobile Limited. |

*Our Board, through a resolution dated March 15, 2018 approved the term of the Independent Directors for a period of five years subject to approval of the shareholders at the ensuing AGM. The Nomination and Remuneration Committee through a resolution dated September 1, 2018, recommended that the term of the Independent Directors be revised to three years. The Board pursuant to a resolution dated September 1, 2018 and in supersession of the Board resolution dated March 15, 2018 approved the term of the Independent Directors for a period of three years subject to regularization at the ensuing AGM.

Brief profiles of our Directors

Mr. Anand Rathi, aged 72, 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 various

platforms 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.

Mr. Pradeep Gupta, aged 51, is a Non-Executive Director of our Company. He has been with our Company since March 18, 2005. He holds a Bachelor of Commerce degree from University of Rajasthan and started his professional journey as a stock broker of Jaipur stock exchange in 1989 besides being associated with textiles business at Daman Ganga Textiles Private Limited. He has promoted Anand Rathi Share and Stock Brokers Limited (formerly known as Navratan Capital and Securities Private Limited) and thereafter he joined ARFSL (formerly known as Anand Rathi Securities Private Limited) with Mr. Anand Rathi in the year 1998. He has over 30 years of experience in capital markets and also serves as a director of Rotary Club of Bombay.

Mr. Amit Rathi, aged 43, 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).

Mr. Rakesh Rawal, aged 62, is an Executive Director and the Chief Executive Officer of our Company. He has been associated with the wealth management business of Anand Rathi Group since February 16, 2007. He holds a Bachelor of Technology degree in Mechanical Engineering from the Indian Institute of Technology, Kanpur and a Masters' in Management Studies degree from Jammalal Bajaj Institute of Management Studies. Prior to joining our Company, he worked with Deutsche Bank and Hindustan Lever Limited. He currently focusses on the business development and client acquisition for the private wealth management business of our Company. He was awarded Udyog Rattan Award and Golden Global Achievers Award from the Institute of Economic Studies in 2014.

Mr. Mohan Tanksale, aged 65, is an Independent Director of our Company. He has been associated with our Company since February 6, 2018. He has a Bachelor's degree in Science from Bhopal University and Master's degree in Arts (English) from Awadhesh Pratap Singh University and Diploma in Russian language from Bhopal University. He is a Fellow Member of Institute of Cost Accountants of India and a Certified Associate of the Indian Institute of Bankers. He has been conferred Person of the Year award by SKOCH Foundation. He has approximately 40 years of experience having served three major public sector banks being, Union Bank of India, Punjab National Bank as Executive Director and Central Bank of India in the capacity of chairman and managing director. He has also served on the board of various subsidiaries of Punjab National Bank and Central Bank of India and Life Insurance Corporation of India, Indo Zambia Bank Limited. He has also served as chief executive of Indian Banks Association and has been on the board of International Banking Federation. He is a member of advisory board of Capita World, BP Wealth Management group and Meljol (NGO). He is the member of governing council of PTVA Institute of Management. He is also engaged as a Consultant to SWIFT India Domestic Services Private Limited.

Mr. Ramesh Chandak, aged 71, is an Independent Director of our Company. He has been associated with our Company since March 15, 2018. He is a Chartered Accountant and has been honoured with the CA Business Leader Corporate Award by ICAI in the year 2008. He is a former president of Indian Electrical and Electronics Manufacturers' Association. He was also the managing director of KEC International Limited. He has also successfully completed the program on leading change and organizational renewal from Harvard Business School.

Mr. Kishan Gopal Somani, aged 79, is an Independent Director of our Company. He has been associated with our Company since March 15, 2018. He is a qualified Chartered Accountant from ICAI. He is also an associate member of the Institute of Company Secretaries of India. Additionally, he is also a fellow member of the Institution of Valuers and has qualified the Limited Insolvency Exams of IBBI under IBC, 2016. He has around 50 years of experience. Prior to joining our Company, he was a president of ICAI. He was also a director on the board of Delhi Stock Exchange Limited.

Ms. Sudha Navandar, aged 51, is an Independent Director of our Company. She has been associated with our Company since March 15, 2018. She is a qualified Chartered Accountant from ICAI and a certified Public Accountant, USA. She is also an insolvency professional registered with the Insolvency and Bankruptcy Board of India. She is currently a partner in M/s. Pravin R. Navandar & Co., Chartered Accountants, with main focuses on corporate audits (internal and statutory), bank audits, company law cases, income leakage and corporate leakage and corporate advisory services. She is also an independent director on the board of Goa Glass Fibre

Limited.

Relationship between our Directors

Except as set out below, none of our Directors are related to each other:

| Sr. No. | Name of Director | Related to | Nature of Relationship |
|---------|-------------------|-------------------|------------------------|
| 1. | Mr. Anand Rathi | Mr. Amit Rathi | Father |
| | | Mr. Pradeep Gupta | Father-in-law |
| 2. | Mr. Pradeep Gupta | Mr. Anand Rathi | Son-in-law |
| | | Mr. Amit Rathi | Brother-in-law |
| 3. | Mr. Amit Rathi | Mr. Anand Rathi | Son |
| | | Mr. Pradeep Gupta | Brother-in-law |

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors or other members of senior management have been appointed pursuant to an understanding or arrangement with shareholders, customers, suppliers or others.

With respect to our Managing Director and our Executive Directors, there is no contingent or deferred payment accrued for Fiscal 2018.

Shareholding of Directors in our Subsidiaries and associate companies

As of the date of this Draft Red Herring Prospectus, our Company does not have any associate companies.

Except as disclosed below our Directors do not hold equity shares in our Subsidiaries as of the date of filing this Draft Red Herring Prospectus:

AR Wealth Management Private Limited

| Name of the Director | No. of equity shares | Percentage of equity shares (in %) |
|----------------------|----------------------|------------------------------------|
| Mr. Anand Rathi | 100,000 | 2.39 |
| Mr. Amit Rathi | 400,000 | 9.57 |

Freedom Wealth Solutions Private Limited

| Name of the Director | No. of equity shares | Percentage of equity shares (in %) |
|----------------------|----------------------|------------------------------------|
| Mr. Anand Rathi | 10 | Negligible |
| Mr. Pradeep Gupta | 10 | Negligible |

Ffreedom Intermediary Infrastructure Private Limited

| Name of the Director | No. of equity shares | Percentage of equity shares (in %) |
|----------------------|----------------------|------------------------------------|
| Mr. Amit Rathi* | 1 | Negligible |

*As a nominee of AR Wealth Management Private Limited.

Terms of appointment of Executive Directors

A. Mr. Amit Rathi

The Board of Directors, through a resolution dated March 27, 2017, and the Shareholders, through a resolution at its extra-ordinary general meeting dated March 28, 2017, approved (i) the appointment of Mr. Amit Rathi as a Managing Director of our Company with effect from April 1, 2017, and (ii) remuneration of Mr. Amit Rathi as a Managing Director for an amount not exceeding ₹ 10,200,000 per annum (excluding perquisites and employee provident fund contribution of the employer) with the authority to the Board of Directors to determine and vary or increase the terms of remuneration payable to him within the aforesaid limits as may be agreed between the Board of Directors and Mr. Amit Rathi.

In Fiscal 2018, he was paid a remuneration of ₹ 4.25 million.

B. Mr. Rakesh Rawal

The appointment of Mr. Rakesh Rawal as a Director was approved by the Board of Directors of our Company through a resolution dated March 1, 2017, subject to regularization at the ensuing annual general meeting. The Shareholders, through a resolution at the annual general meeting dated September 29, 2017, approved his appointment as a Director with effect from March 1, 2017.

The Board of Directors, through a resolution dated August 29, 2017, and the Shareholders, through a resolution at the annual general meeting dated September 29, 2017, approved revised the remuneration of Mr. Rakesh Rawal as the Chief Executive Officer of our Company, to an amount not exceeding ₹ 80,000,000 per annum (excluding perquisites and employee provident fund contribution of the employer) payable to him during the term of his appointment for a period of three years from April 1, 2017 to March 31, 2020, on such terms and conditions, as may be decided by the Board of Directors. with the authority to the Board of Directors to determine and vary or increase the terms of remuneration payable to him within the aforesaid limits as may be agreed between the Board of Directors and Mr. Rawal.

Mr. Rakesh Rawal is currently an Executive Director and the Chief Executive Officer of our Company. Following are the details of the remuneration paid to Mr. Rakesh Rawal for Fiscal 2018:

| Particulars | Remuneration (in ₹ Million) |
|-------------------|-----------------------------|
| Basic Salary | 13.22 |
| Other allowances | 9.56 |
| Performance Bonus | 54.30 |
| Retirals | - |
| Total | 77.08 |

Remuneration/sitting fees for Non-Executive Directors and Independent Directors

The sitting fees for our Independent Directors was fixed at ₹ 20,000 for attending each meeting of the Board in person, pursuant to the Board resolution dated March 15, 2018. The sitting fees for our Independent Directors was revised to ₹ 50,000 for attending each meeting of the Board in person and ₹ 25,000 for attending each meeting of the committees in person thereof, pursuant to the Board resolution dated July 10, 2018.

Details of the sitting fees paid by our Company to our Independent Director in Fiscal 2018 is as follows:

| Sr. No. | Name of Director | Total amount of sitting fees paid (₹ in million) |
|---------|--------------------|--|
| 1. | Mr. Ramesh Chandak | 0.02 |

There is no compensation paid by our Subsidiaries to the Non-Executive and Independent Directors in Fiscal 2018.

Changes in the Board of Directors in the last three years preceding the date of this Draft Red Herring Prospectus

| Sr. No. | Name | Date of appointment | Date of cessation | Reason |
|---------|-------------------------|---------------------|-------------------|-------------|
| 1. | Ms. Sudha Navandar | March 15, 2018 | - | Appointment |
| 2. | Mr. Kishan Gopal Somani | March 15, 2018 | - | Appointment |
| 3. | Mr. Ramesh Chandak | March 15, 2018 | - | Appointment |
| 4. | Mr. Mohan Tanksale | February 6, 2018 | - | Appointment |
| 5. | Mr. Roop Bhootra | - | June 19, 2017 | Resignation |
| 6. | Mr. Amit Rathi | April 1, 2017 | - | Appointment |
| 7. | Mr. Rakesh Rawal | March 1, 2017 | - | Appointment |
| 8. | Mr. Kaushal Kumbhat | - | April 30, 2016 | Resignation |

Service contracts with Directors

Our Company has not entered into any service contracts, pursuant to which its officers, including its Directors and Key Management Personnel, are entitled to benefits upon termination of employment.

Bonus or profit sharing plan of our Directors

None of our Directors are a party to any bonus or profit sharing plan by our Company.

Shareholding of our Directors in our Company

The Articles of Association do not require the Directors to hold any qualification shares.

For details on shareholding of the Directors in our Company please see “*Capital Structure – Notes to Capital Structure - Shareholding of our Directors and/ or Key Management Personnel*” on page 91 of this Draft Red Herring Prospectus.

Except as disclosed below, none of our Directors is or was a director on the board of listed companies that have been/ were delisted from any stock exchange in India.

1. Mr. Ramesh Chandak

| Sr. No. | Details | Particulars |
|---------|---|---|
| 1. | Name of the company | KEC International Limited (“ KEC ”) |
| 2. | Name of the stock exchange(s) on which KEC was listed | BSE, NSE and MCX Stock Exchange Limited* |
| 3. | Date of delisting on stock exchanges | March 20, 2015 from MCX Stock Exchange Limited* |
| 4. | Whether the delisting was compulsory or voluntary delisting | Voluntary |
| 5. | Reasons for delisting | Limited trading on MCX Stock Exchange Limited* of shares of KEC |
| 6. | Whether KEC has been relisted | KEC has not been relisted |
| 7. | Date of relisting, in the event KEC is relisting | Not Applicable |
| 8. | Name of the stock exchange on which KEC was relisted | Not Applicable |
| 9. | Term of directorship in KEC | December 26, 2005 till date |

* Name changed to Metropolitan Stock Exchange of India Limited.

2. Ms. Sudha Navandar

| Sr. No. | Details | Particulars |
|---------|---------|-------------|
|---------|---------|-------------|

| Sr. No. | Details | Particulars |
|---------|---|--|
| 1. | Name of the company | Binani Cement Limited (“ Binani Cement ”) |
| 2. | Name of the stock exchange(s) on which Binani Cement was listed | BSE and NSE |
| 3. | Date of delisting on stock exchanges | May 30, 2011 from BSE and NSE |
| 4. | Whether the delisting was compulsory or voluntary delisting | Voluntary delisting |
| 5. | Reasons for delisting | The promoter and the holding company, Binani Industries Limited decided to acquire the entire public shareholding and therefore Binani Cement decided to delist from BSE and NSE |
| 6. | Whether Binani Cement has been relisted | No |
| 7. | Date of relisting, in the event Binani Cement is relisting | Not Applicable |
| 8. | Name of the stock exchange on which Binani Cement was relisted | Not Applicable |
| 9. | Term of directorship in Binani Cement | 20 months Date of joining: April 21, 2016 Date of resignation: December 4, 2017 |

None of our Directors is or was a director on the board of any listed company whose shares are / were suspended from trading on BSE and / or NSE for a period of five years prior to the date of filing of this Draft Red Herring Prospectus.

None of our Directors have been declared as Willful Defaulters.

Borrowing powers of our Board

In accordance with the Articles of Association, the Board may, borrow or raise any monies required by our Company upon such terms and in such manner with or without security as it may determine. In this regard, our Company, at its meeting of the Board dated November 28, 2016 and its meeting of the shareholders dated December 26, 2016 has resolved that pursuant to the provisions of Section 179(3) of Companies Act, 2013, the Board is authorised to borrow money for the purpose of our Company availing credit facilities up to an amount of ₹ 3,000 million.

Corporate governance

The provisions of the Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable regulations, specifically the Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, particularly in relation to constitution of the Board and committees of our Board. The corporate governance framework of our Company is based on an effective independent Board, separation of the Board’s supervisory role from the executive management team and constitution of the Board committees, each as required under law.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board has eight Directors, comprising two Executive Directors, and six Non-Executive Directors of which four are Independent Directors including one woman director. In compliance with the provisions of the Companies Act, 2013 at least two-third of our Directors, other than our Independent Directors and Executive Directors, are liable to retire by rotation.

I. Committees of the Board

A. Audit Committee

The members of the Audit Committee are:

| 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 |

The Audit Committee was constituted by a resolution of our Board dated August 29, 2017. By a resolution of the Board dated March 15, 2018, the Audit Committee was re-constituted and the terms of reference of the Audit Committee were revised in accordance with the applicable provisions of the Companies Act, 2013, and the Listing Regulations, which are as follows:

- (a) oversee our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
- (c) approve payment to statutory auditors for any other services rendered by them;
- (d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of the Companies Act, 2013;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by the management of our Company;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) modified opinion(s) in the draft audit report.
- (e) Review, with the management, the quarterly and any other partial year- period financial statements before submission to the board of directors for their approval;
- (f) Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;
- (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) Approve or subsequently modify transactions of our Company with related parties;
- (i) Scrutinise inter-corporate loans and investments;
- (j) Valuation of undertakings or assets of our Company, wherever it is necessary;
- (k) Evaluate internal financial controls and risk management systems;
- (l) Evaluating undertakings or assets of our Company, wherever necessary;
- (m) Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) Discuss with internal auditors of any significant findings and follow up there on;
- (p) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (q) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (s) To review the functioning of the whistle blower mechanism;
- (t) Approve the appointment of the Chief Financial Officer of our Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (u) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;

- (v) Oversee the vigil mechanism established by our Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and
- (w) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of our Company or specified/provided under the Companies Act, 2013 or by the Listing Regulations or by any other regulatory authority.

B. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

| 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 |

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated August 29, 2017 and re-constituted in the meeting of the Board dated March 15, 2018. The scope and functions of the Nomination and Remuneration Committee are in accordance with the Companies Act, 2013 and the Listing Regulations.

By a resolution of the Board dated March 15, 2018, the terms of reference of the Nomination and Remuneration Committee were approved by our Company, which are as follows:

- (a) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors);
- (b) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- (c) devise a policy on diversity of the Board;
- (d) determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
- (e) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (f) perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014, including the following:
 - i. administering the ESOP 2017 and ESOP 2018 plans (“Plans”);
 - ii. determining the eligibility of employees to participate under the Plans;
 - iii. granting options to eligible employees and determining the date of grant;
 - iv. determining the number of options to be granted to an employee;
 - v. determining the exercise price under of the Plans; and
 - vi. construing and interpreting the Plans and any agreements defining the rights and obligations of the Company and eligible employees under the Plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan.
- (g) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- (h) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
- (i) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the Listing Regulations or by any other applicable law or regulatory authority.

C. Stakeholders Relationship Committee

The members of the Stakeholders Relationship Committee are:

| 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 |

The Stakeholders Relationship Committee was constituted by way of a Board resolution dated March 15, 2018. The scope and functions of the Stakeholders Relationship Committee are in accordance with the Companies Act, 2013 and the Listing Regulations.

By a resolution of the Board dated March 15, 2018, the terms of reference of the Stakeholders Relationship Committee were approved by our Company, which are as follows:

- (a) redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- (b) allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (c) giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (d) overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- (e) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or Listing Regulations, or by any other regulatory authority.

D. Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

| 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 |

The Corporate Social Responsibility Committee was constituted by way of a Board resolution dated March 15, 2018.

Further, by a resolution of the Board dated March 15, 2018, the terms of reference of the Corporate Social Responsibility Committee were approved by our Company and are as follows:

- (a) To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;

- (b) To recommend the amount of expenditure to be incurred on the activities referred to in (a);
- (c) To monitor the Corporate Social Responsibility Policy of the company from time to time;
- (d) To do such other acts, deeds and things as may be required to comply with the applicable laws; and
- (e) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or statutorily prescribed under any other law or by any other regulatory authority.

E. IPO Committee

The members of the IPO Committee are:

| 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 |

The IPO Committee was constituted by way of a Board resolution dated February 3, 2018 and subsequently reconstituted on July 10, 2018.

Further, by a resolution of the Board dated February 3, 2018, the terms of reference of the IPO Committee were approved by our Company and are as follows:

- (a) to decide, in consultation with the BRLMs, on the Offer size (including any reservation for employees, to take on record the number of equity shares proposed to be offered by the selling shareholders respectively, and/or any other reservations or firm allotments as may be permitted, green shoe option and/ or any rounding off in the event of any oversubscription), timing, pricing (price band, issue price, including to anchor investors, discount, *etc.*) and all other terms and conditions of the Offer, as permitted under applicable laws, and to make any amendments, modifications, variations or alterations thereto;
- (b) to make applications to the concerned stock exchanges for their respective in-principle approvals for listing of the equity shares and file such papers and documents, including this Draft Red Herring Prospectus, the Red Herring Prospectus and / or the Prospectus, as may be required for the purpose;
- (c) to take all actions as may be necessary or authorized, in connection with the Offer, including taking on record the approval of the Offer, taking on record the consents of the selling shareholders offering their equity shares in the offer for sale, and the number of equity shares proposed to be offered by the selling shareholders respectively, extending the Bid/Offer period, revision of the Price Band, revisions to the size and structure of the Offer, in accordance with the applicable laws;
- (d) if required or desirable, to invite the existing shareholders of our Company to participate in the Offer to offer for sale their Equity Shares in the Offer;
- (e) authorisation of any director or directors of our Company or other officer or officers of our Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the Offer and any matter ancillary thereto;
- (f) giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (g) to appoint and enter into arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection banks to the Offer, registrars to the Offer, refund banks to the Offer, public issue account banks to the Offer, monitoring agency, legal counsel, advertising agencies and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise the terms of their appointment;
- (h) to seek, if required, the consent of the lenders to our Company and/or the lenders to the subsidiaries of our Company, industry data providers, parties with whom our Company has entered into various commercial and other agreements including without limitation customers, suppliers, strategic partners of our Company, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the Offer, if any;
- (i) to make applications to, seek clarifications and obtain approvals from, if necessary, the RBI, the SEBI or any other statutory or governmental authorities in connection with the Offer and, wherever necessary,

incorporate such modifications/ amendments/ alterations/ corrections as may be required to this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus;

- (j) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLMs' mandate or engagement letters, the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the BRLMs, registrar to the Offer, legal advisors, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of our Company to negotiate, execute and deliver all or any of the aforesaid documents;
- (k) deciding the pricing and all other related matters regarding the Pre- Offer Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;
- (l) to issue advertisements in such newspapers and other media as it may deem fit and proper in accordance with the SEBI ICDR Regulations, Companies Act 2013 and rules thereunder and other applicable law;
- (m) approving this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient and approving and adopting any subsequent changes, correction, updates, alterations, revisions, modifications or amendments required for the finalization of this Draft Red Herring Prospectus prior to filing with SEBI, settling or giving instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such changes, correction, updates, alterations, revisions, modifications, deletions or amendments as may be deemed fit and proper in the best interest of our Company in accordance with the applicable laws and regulations) and the preliminary and final international wrap for the Offer together with any addenda, corrigenda and supplement thereto as finalised in consultation with the BRLMs, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines;
- (n) seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (o) to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more Stock Exchanges, with power to authorise one or more officers of our Company to sign all or any of the aforesaid documents;
- (p) to make applications for listing of the Equity Shares on the Stock Exchange for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (q) accept and appropriate proceeds of the Fresh Issue in accordance with the applicable laws;
- (r) to do all such deeds and acts as may be required to dematerialise the Equity Shares of our Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of our Company to execute all or any of the aforesaid documents;
- (s) to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Offer;
- (t) to withdraw this Draft Red Herring Prospectus or the Red Herring Prospectus or to decide not to proceed with the Offer at any stage in accordance with the SEBI ICDR Regulations and applicable laws;
- (u) to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in consultation with the BRLMs, deem necessary or desirable for the Offer, including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws;
- (v) to settle all questions, remove any difficulties or doubts that may arise from time to time in regard to the Offer, including with respect to the issue, offer or allotment of the Equity Shares, terms of the Offer, utilisation of the Offer proceeds, appointment of intermediaries for the Offer and such other issues as it may, in its absolute discretion deem fit;
- (w) to take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of our Company;

- (x) to open and operate bank accounts of our Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (y) to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing; and
- (z) to delegate any of the powers mentioned herein above to such persons as the IPO Committee may deem necessary.

Policies

In accordance with the applicable provisions of the Listing Regulations and other applicable law, we have formulated various policies, including the following, copies of which are available on our website:

- i. Archival policy;
- ii. Policy for evaluation of the performance of the Board of Directors;
- iii. Code of practices and procedures for fair disclosure of unpublished price sensitive information;
- iv. Code of conduct for Board members and Senior management;
- v. Policy on Corporate Social Responsibility;
- vi. Dividend Distribution policy;
- vii. Code of conduct for prevention of insider trading;
- viii. Nomination and Remuneration policy;
- ix. Policy for determining material subsidiaries;
- x. Policy for determination of materiality of an event/information;
- xi. Policy on preservation of documents;
- xii. Policy on Prevention of Money Laundering Act 2002 (“PMLA”);
- xiii. Policy on related party transactions; and
- xiv. Vigil mechanism policy and whistle blower policy.

Interest of Directors

All Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending the meetings of our Board and the committees of our Board. Our Executive Directors are interested to the extent of remuneration payable to them by our Company. Further, our Directors may also be interested in our Company to the extent of reimbursement of expenses payable to them.

None of the Directors have any interest in any property acquired by our Company within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Our Company has entered into a trademarks licensing agreement dated April 1, 2018 with our Promoter Selling

Shareholder for the grant of permission and license to use the tradename, “ANANDRATHI” for its corporate name, domain name and in corporate material. The agreement shall continue unless terminated by mutual written consent of both the parties. Further, our Company is required to pay a license fee of ₹ 500,000 on or before April 10 of each financial year in advance. Our Directors, Mr. Anand Rathi, Mr. Pradeep Gupta and Mr. Amit Rathi, may be deemed to be interested to the extent of their shareholding in our Promoter Selling Shareholder.

Except as stated in “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

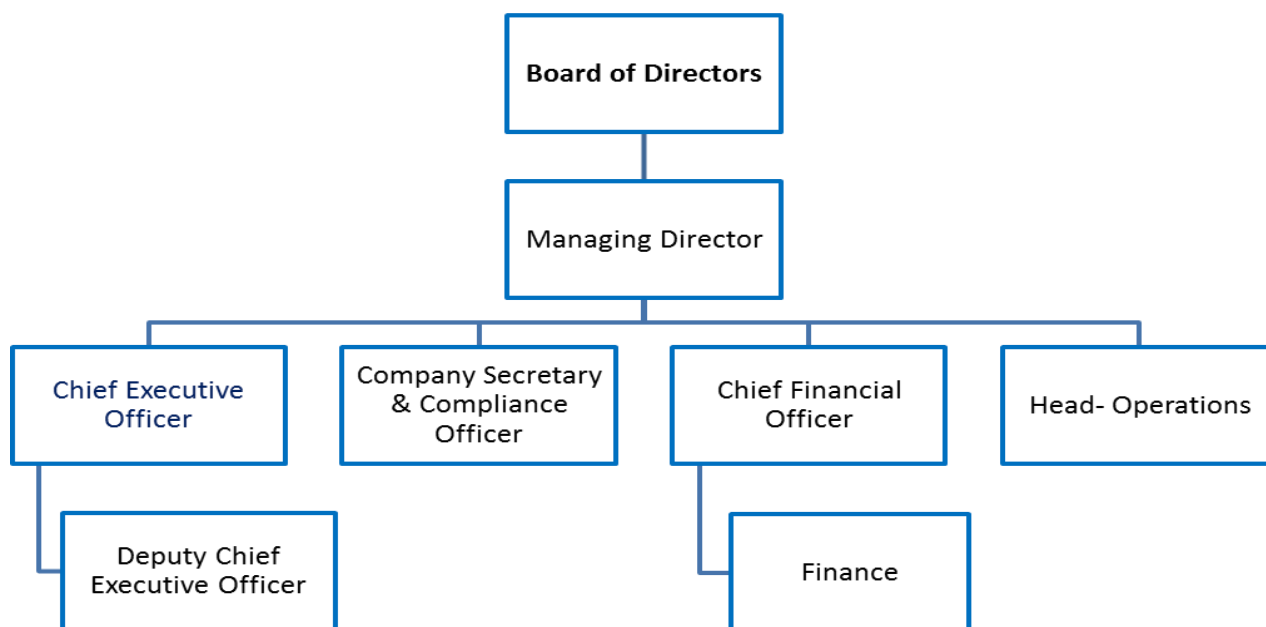
No loans have been availed by our Directors or our Key Management Personnel from our Company.

Except as stated in “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus, none of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

Appointment of any relatives of our Directors to an office or place of profit

None of the relatives of our Directors have been appointed to an office or place of profit in our Company.

Management Organisation Structure



Key Management Personnel

In addition to our Executive Directors, Mr. Amit Rathi and Mr. Rakesh Rawal, the following persons are the Key Management Personnel of our Company:

- i) Mr. Dilip Balakrishnan, Company Secretary and Compliance Officer; and
- ii) Mr. Rajesh Bhutara, Chief Financial Officer.

All our Key Management Personnel are permanent employees of our Company. For details of the brief profile of our Executive Directors, please see “*Our Management - Brief profiles of our Directors*” on page 171 of this Draft Red Herring Prospectus.

The brief profiles of our other Key Management Personnel are as set out below:

Mr. Dilip Balakrishnan, aged 57, is the Company Secretary of our Company. He has been associated with our Company since October 1, 2016. He is a Fellow Member of the Institute of Company Secretaries in India and has a Bachelors in Law degree from Bangalore University. Prior to joining our Company, he worked with EFG India, Standard Chartered Bank, The Hongkong and Shanghai Banking Corporation and Deutsche Bank. He is also the head of trust and estate planning. In Fiscal 2018, he was paid ₹ 5.46 million as total remuneration.

Mr. Rajesh Bhutara, aged 48, is the Chief Financial Officer of our Company. He has been associated with Anand Rathi Group since August 8, 2000. He holds a Bachelor's degree in Commerce from Jiwaji University, Gwalior. He is also a certified Chartered Accountant and is a member of the Institute of Chartered Accountants of India. In his experience of over 18 years with Anand Rathi Group he has played a key role in looking at various functions areas like finance, accounts and taxation. Since he joined our Company in Fiscal 2019, no remuneration was paid to him in Fiscal 2018.

Except as disclosed above in relation to our Executive Directors, none of our Key Management Personnel are related to each other. Further, none of our Key Management Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others. Additionally, with respect to our Key Management Personnel, no contingent or deferred payment has accrued for Fiscal 2018.

Shareholding of Key Management Personnel

For details on shareholding of the Key Managerial Personnel in our Company please see “*Capital Structure - Shareholding of our Directors and/ or Key Management Personnel*” on page 91 of this Draft Red Herring Prospectus.

Bonus or profit sharing plan of the Key Management Personnel

Except for the bonus payable, at the sole discretion of the Board, as part of the remuneration to our Key Management Personnel in accordance with the terms of their respective appointment letters, none of our Key Management Personnel are a party to any bonus or profit sharing plan.

Interests of Key Management Personnel

Except as disclosed above in relation to our Executive Directors, the Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration, allowances perquisites or benefits to which they are entitled to as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business.

Changes in the Key Management Personnel

In addition to the changes in our Board with respect to our Executive Directors as set forth under “*Changes in the Board of Directors in the last three years*” herein above, the changes in the Key Management Personnel in the last three years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

| Sr. No. | Name | Designation | Date of appointment | Date of cessation | Reason |
|----------------|------------------------|-------------------------|----------------------------|--------------------------|---------------|
| 1. | Mr. Rajesh Bhutara | Chief Financial Officer | July 10, 2018 | - | Appointment |
| 2. | Mr. Amol Bhabal | Chief Financial Officer | October 1, 2017 | July 10, 2018 | Resignation |
| 3. | Mr. Dilip Balakrishnan | Company Secretary | October 1, 2016 | - | Appointment |
| 4. | Mr. Rakesh Rawal | Chief Executive Officer | April 1, 2017 | - | Appointment |

Employee stock option and stock purchase schemes

We do not have any employee stock options or stock purchase schemes except for ESOP 2017, which was approved pursuant to a resolution of our Board dated November 28, 2016, and a Shareholders' resolution dated December 26, 2016, and ESOP 2018, which was approved pursuant to a resolution of our Board dated February

3, 2018 and a Shareholders' resolution dated March 3, 2018. For details of ESOP 2017 and ESOP 2018, see section titled "*Capital Structure - Employee Stock Option Scheme*" on page 93 of this Draft Red Herring Prospectus.

Payment or benefit to officers of our Company

Except as disclosed above under "*Interest of Directors*" and grant of options to our Directors and Key Management Personnel, no non-remuneration related amount or benefit has been paid or given within two years from the date of this Draft Red Herring Prospectus, or is intended to be paid or given, to any of our Company's officers, including the Directors and Key Management Personnel.

Service contracts with Key Management Personnel

Except as stated in the respective letters of appointment and statutory entitlements, if any, upon termination of their employment or retirement, our Company has not entered into any service contracts, pursuant to which any of the officers including Key Management Personnel are entitled to benefits upon termination / retirement of employment.

OUR PROMOTERS AND PROMOTER GROUP

A. Our Promoters

Our Company's Promoters are Mr. Anand Rathi, Mr. Pradeep Gupta and Anand Rathi Financial Services Limited.

As on date of this Draft Red Herring Prospectus, our Promoters shareholding in our Company is as follows:

| Sr. No. | Name of Promoter | Number of Equity Shares | % of pre-Offer issued, subscribed and paid-up Equity Share capital |
|---------|--|-------------------------|--|
| 1. | Mr. Anand Rathi | 3,658,260 | 13.60% |
| 2. | Mr. Pradeep Gupta | 1,510,508 | 5.61% |
| 3. | Anand Rathi Financial Services Limited | 12,069,082 | 44.85% |

I. Brief profile of our Promoters is as under:

1. Mr. Anand Rathi



Mr. Anand Rathi, aged 72 years, is a promoter and chairman and Non-Executive Director of our Company. Mr. Rathi does not have a driving license. His voter identification number is MT/04/024/129402.

For further details, see "Our Management" on page 171 of this Draft Red Herring Prospectus.

2. Mr. Pradeep Gupta



Mr. Pradeep Gupta, aged 51 years, is a promoter and Non-Executive director of our Company. His driving license number is MH0219980028294 and his voter identification number is TDW5493457.

For further details, see "Our Management" on page 172 of this Draft Red Herring Prospectus.

3. Anand Rathi Financial Services Limited

ARFSL was originally incorporated as a private limited company under the name Anand Rathi Securities Private Limited under the Companies Act, 1956 on June 7, 1996. Thereafter, Anand Rathi Securities Private Limited changed its name to Anand Rathi Securities Limited and received a fresh certificate of incorporation dated May 29, 2006. Thereafter, Anand Rathi Securities Limited changed its name to Anand Rathi Financial Services Limited and received a fresh certificate of incorporation dated January 29, 2008 pursuant to change of name. Its corporate identification number is U67120MH1996PLC100108. Its registered office is situated at 4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400 063, Maharashtra, India.

As per the terms of the memorandum of association of ARFSL, its main objects are to carry on business in share and stock and purchase, sale, subscription, acquisition or dealing in shares, stocks, debenture stocks, bonds, units, negotiable instruments, obligations, mortgages and securities of any kind and to act as brokers and sub-brokers of any recognized stock exchanges subject to approval of SEBI rules and regulations and such other approvals as may be required from other authorities, subject to compliance with any other law in this regard.

As on the date of this Draft Red Herring Prospectus, ARFSL carries on the business of financial services.

Promoters of ARFSL

The promoters of ARFSL are Mr. Anand Rathi and Mr. Pradeep Gupta.

Details of change in control or management of ARFSL

There has been no change in control or management of ARFSL in the last three years preceding the date of this Draft Red Herring Prospectus.

Board of Directors

The Board of Directors of ARFSL, as on the date of filing of this Draft Red Herring Prospectus, comprises the following directors:

| Sr. No. | Name | Designation |
|----------------|---------------------|----------------------|
| 1. | Mr. Anand Rathi | Director |
| 2. | Mr. Pradeep Gupta | Managing director |
| 3. | Mr. Amit Rathi | Director |
| 4. | Mr. Charan Das Arha | Independent director |

Shareholding pattern

The shareholding pattern of ARFSL as on the date of this Draft Red Herring Prospectus is as provided below:

| Sr. No. | Name of shareholder | Number of equity shares | (%) of shareholding |
|----------------|--|--------------------------------|----------------------------|
| 1. | Mr. Anand Rathi | 9,187,471 | 39.99 |
| 2. | Mr. Pradeep Gupta | 3,277,559 | 14.27 |
| 3. | Ms. Priti Gupta | 3,075,500 | 13.39 |
| 4. | Mr. Amit Rathi | 2,499,160 | 10.88 |
| 5. | Mr. Navratan Gupta | 1,318,028 | 5.74 |
| 6. | Anand Rathi Capital Advisors Private Limited | 1,092,011 | 4.75 |
| 7. | Deevee Commercials Limited | 947,250 | 4.12 |
| 8. | Ms. Sushiladevi Gupta | 480,000 | 2.09 |
| 9. | Ms. Supriya Rathi | 360,000 | 1.57 |
| 10. | Ms. Pooja Maru | 180,000 | 0.78 |
| 11. | Other shareholders* | 557,700 | 2.43 |
| | Total | 22,974,679 | 100.00 |

*These include equity shares issued under employee stock option scheme to the employees of ARFSL and equity shares held by the employee welfare trust.

Financial Performance

The following table sets forth details of the brief audited financial results of ARFSL, on a standalone basis, as at, and for, Fiscal 2018, Fiscal 2017 and Fiscal 2016:

| Particulars | <i>(₹ in million, unless otherwise stated)</i> | | |
|---|--|--------------------|--------------------|
| | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
| Sales and Other Income | 206.16 | 278.33 | 192.17 |
| Profit/ (Loss) after tax | 4.97 | 78.46 | 3.51 |
| Equity Capital | 229.75 | 229.75 | 229.75 |
| Reserves and Surplus (excluding revaluation reserve) | 1,299.83 | 1,295.22 | 1,216.76 |
| Net Worth | 1,529.57 | 1,524.96 | 1,446.50 |
| Earnings/ (Loss) per share (₹) | 0.22 | 3.42 | 0.15 |
| Diluted earnings per share (₹) | 0.22 | 3.42 | 0.15 |
| Net Asset Value per Share (₹) | 66.58 | 66.38 | 62.96 |

Except as disclosed below, there are no significant notes of the auditors in relation to the aforementioned financial statements:

Fiscal 2016

The audit report is qualified as follows:

1. The balances of several sundry debtors, sundry creditors, loans taken and loans granted are subject to confirmation and consequent reconciliation of the differences, if any, the impact whereof is not ascertained.
2. The composition of audit committee as well as the nomination and remuneration committee is not in accordance with the provisions of Sections 177 and 178 of the Companies Act, 2013 read with rules thereunder.

The CARO report of ARFSL provides the following qualification:

1. The fixed assets of ARFSL were not physically verified by the management and in case of some assets like computers, furniture details pertaining to location was not updated.
2. The title deeds of an immovable property were in the name of Anand Rathi Securities Private Limited; the said name of ARFSL was changed several years back.
3. ARFSL has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013. The details of the loan outstanding as on March 31, 2016 are as below:

(₹ in million)

| Particulars | Maximum Amount Outstanding during the year | No. of Parties | Balance outstanding as at the year end | No of parties (outstanding balance) |
|---------------|--|----------------|--|-------------------------------------|
| Loans granted | 5.43 | 3 | 3.43 | 3 |

The aforesaid loans / advances, being repayable on demand, the recoveries including interest thereon are made and as when demanded and/or due.

1. The company has disputed Income tax liability of aggregating to ₹ 48.23 million and service tax liability of ₹ 0.63 million.

Fiscal 2017

The Audit report is qualified as follows:

1. The balances of several sundry debtors, sundry creditors, loans taken and loans granted are subject to confirmation and consequent reconciliation of the differences, if any, the impact whereof is not ascertained.
2. The composition of audit committee as well as the nomination and remuneration committee is not in accordance with the provisions of Sections 177 and 178 of the Companies Act, 2013 read with rules thereunder.

The CARO report of ARFSL provides the following qualification:

1. The fixed assets of ARFSL were not physically verified by the management and in case of some assets like computers, furniture details pertaining to location was not updated.
2. The title deeds of an immovable property was in the name of Anand Rathi Securities Private limited; the said name of ARFSL was changed several years back.
3. ARFSL has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013. The details of the loan outstanding as on March 31, 2017 are as below:

(₹ in million)

| Particulars | Maximum Amount Outstanding during the year | No. of Parties | Balance outstanding as at the year end | No of parties (outstanding balance) |
|---------------|--|----------------|--|-------------------------------------|
| Loans granted | 721.52 | 5 | 355.00 | 2 |

The aforesaid loans / advances, being repayable on demand, the recoveries including interest thereon are made and as when demanded and/or due.

1. ARFSL has provided loan of ₹ 250.00 million to associate, which is not in compliance with Section 185 of the Companies Act, 2013.
2. ARFSL has disputed service tax liability of ₹ 0.63 million relating to Fiscals 2006 and 2007.

Fiscal 2018

The Audit report is qualified as follows

1. ARFSL has not appointed independent directors in accordance with provisions of Section 149(4) of the Companies Act, 2013 read with rules thereunder.
2. The composition of audit committee as well as nomination and remuneration committee of the board of directors of ARFSL are not in accordance with provisions of Sections 177 and 178 of the Companies Act, 2013 read with rules thereunder.

The CARO report of ARFSL provides the following qualification:

1. ARFSL is maintaining proper records for fixed assets showing full particulars, including quantitative details except situation of fixed assets;
2. The fixed assets of ARFSL have not been physically verified by the management during the year;
3. ARFSL has granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013 which is 100% subsidiary of wholly owned subsidiary of ARFSL. The details of the loan outstanding as on March 31, 2018 are as below:

(₹ in million)

| Particulars | Amount | Number of Parties |
|---------------|--------|-------------------|
| Loans Granted | 18.50 | 1 |

The aforesaid loans are repayable on demand and hence there is no amount overdue for more than 90 days.

1. The provisions of Sections 185 and 186 of the Companies Act, 2013 have been complied with except for the loan of ₹ 15,802.20 million given to an associate which has been squared off at the year end, which is not in compliance with Section 185 of the Companies Act, 2013.
2. As stated in our main audit report, the composition of the audit committee is not in accordance with the provisions of Section 177 of the Companies Act, 2013 read with rules thereunder.

II. Other understandings and confirmations

Our Company confirms that in relation to each of the individual promoters, their respective PANs, bank account numbers and passport numbers and in relation to corporate promoter, its PAN, bank account number, registration number and address of the RoC where it is registered will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Further, our Promoters, members of our Promoter Group, and relatives of our Promoters have confirmed that they have not been identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

Neither our Promoters nor members of our Promoter Group or any persons in control of our Company have been debarred, or restricted from accessing the capital markets for any reason, by SEBI or any other authorities. Our Promoters are not, nor have they been, promoters, directors or persons in control of any company which is debarred, or restricted from accessing the capital markets for any reason, by SEBI or any other authorities.

For further details in relation to litigation against our Promoters, see “*Outstanding Litigation and Material Developments – Litigation involving our Promoters*” on page 359 of this Draft Red Herring Prospectus.

Nature and extent of interest of our Promoters

1. Interest of our Promoters in promotion of our Company

As of the date of this Draft Red Herring Prospectus, Mr. Anand Rathi holds 3,658,260 Equity Shares, Mr. Pradeep Gupta holds 1,510,508 Equity Shares and ARFSL holds 12,069,082 Equity Shares.

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding, direct or indirect, in our Company and to the extent of any dividend distributions which may be made by our Company.

For further details, see “*Capital Structure - Shareholding of our Promoters, Promoter Group and directors of our Promoter*” on page 87 and “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus.

2. Interest in being a member of a firm or company

Our Promoters are not interested as members of a firm or company, and no sum has been paid or agreed to be paid to any of our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or to qualify any of our Promoters as a director or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

3. Interest in property acquired or proposed to be acquired by our Company

Except as disclosed in the section, “*Our Management – Interest of Directors*” on page 182 of this Draft Red Herring Prospectus, none of our Promoters have any interest in any property acquired by our Company within two years from the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

4. Interest in acquisition of land, construction of building and supply of machinery

Except as disclosed below, our Promoters do not have any interest in any transaction with respect to the acquisition of land, construction of building, supply of machinery or any other contracts, agreements or arrangements entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

ARFSL has entered into a cost sharing agreement dated April 1, 2017, with our Company to provide resources of its centre and has agreed to mutually share the costs incurred like salary, rental of the premises, electricity expenses, telephone expenses, postage expenses, printing and stationery, repair and maintenance, computer and software maintenance charges, advertisement, with our Company. Pursuant to the agreement, ARFSL raises debit notes on our Company for its share in the total cost incurred on above items on periodical basis, which our Company is required pay ARFSL within a period of seven days from the date of raising such debit note. Following are the details in relation to payments made by our Company to ARFSL, in this regard:

(₹ in million)

| Year | Nature of Payment | Paid by | Paid To | Amount |
|---------|-------------------------------|-------------------------------------|--|--------|
| 2017-18 | Business Support Charges paid | Anand Rathi Wealth Services Limited | Anand Rathi Financial Services Limited | 45.87 |
| 2016-17 | Business Support Charges paid | Anand Rathi Wealth Services Limited | Anand Rathi Financial Services Limited | 8.03 |

Accordingly, ARFSL is interested in our Company to the extent it received monies from our Company in this regard.

Additionally, our Company avails funding in the form of inter corporate deposits from ARFSL and certain of our Group Companies. ARFSL may be deemed to be interested in such transactions to the extent of such inter corporate deposits extended or on account of its shareholding in such Group Companies. For further details including in relation to other transactions in which ARFSL may be deemed to be interested, please see “*Financial Information*” on page 207 of this Draft Red Herring Prospectus.

Mr. Anand Rathi and Mr. Pradeep Gupta may also be deemed to be interested in the above transactions to the extent of their respective shareholding in ARFSL.

5. Interest in our Company other than as promoters of our Company

None of our Promoters have any interest other than as promoters of our Company, including any business interests, in our Company.

6. Other ventures of our Promoters

Except for our Subsidiaries and ARSSBL in the section “*Our Group Companies*” on pages 201 and 195 of this Draft Red Herring Prospectus, our Promoters are not involved with any other venture which is in the same line of activity or business as that of our Company.

7. Payments of benefits to our Promoters or Promoter Group during the last two years

Except as stated in “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus, there have been no amounts or benefits, paid or given, to our Promoters or our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Except as stated in “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus, none of the beneficiaries of loans, and advances and sundry debtors are related to our Promoters or Promoter Group.

III. Disassociation by our Promoters in the last three years

Except as stated hereunder, our Promoters have not disassociated themselves from any of the companies or firms during the last three years preceding the date of the Draft Red Herring Prospectus.

| Name of the Promoter | Name of the entity from which disassociated | Date of disassociation as shareholders | Reasons for and circumstances leading to disassociation |
|----------------------------------|--|--|---|
| Mr. Anand Rathi | Gerard Veigas Finvest Private Limited | February 6, 2017 | Amalgamation |
| | Predict Investment & Finance Consultants Private Limited | | |
| | Emerald Building and Construction Private Limited | | |
| | Quartz Stone Development and Holdings Private Limited | | |
| | Garnet Building & Construction Private Limited | | |
| Elegant Capitals Private Limited | March 28, 2018 | Amalgamation | |
| ARFSL | Anand Rathi Financial Services HK Limited | December 28, 2016 | Liquidation |

IV. Promoter Group

In addition to our Promoters, the following entities form a part of our Promoter Group:

| Sr. No. | Entity Name |
|-------------------------|-------------------------|
| Individuals/ HUF | |
| 1. | Ms. Aishwarya Gupta |
| 2. | Mr. Amit Rathi |
| 3. | Ms. Asha Kailash Biyani |
| 4. | Ms. Krishna Dhoot |

| Sr. No. | Entity Name |
|------------------------|--|
| 5. | Mr. Krishnav Gupta |
| 6. | Mr. Navratan Mal Gupta |
| 7. | Dr. Phoolkaur Mundra |
| 8. | Ms. Pooja Maru |
| 9. | Ms. Prabha Gwaldas Mundra |
| 10. | Ms. Priti Gupta |
| 11. | Mr. Suresh Rathi |
| 12. | Ms. Sushiladevi Gupta |
| 13. | Ms. Tara Mantri |
| 14. | Anand Rathi HUF |
| 15. | Nathulal Jakheta (HUF) |
| 16. | Navratan Mal Gupta (HUF) |
| 17. | Pradeep Kumar Gupta HUF |
| Body corporates | |
| 18. | AAP Investments Limited |
| 19. | Aishwarya Capital Services Private Limited |
| 20. | Amit Capital and Securities Private Limited |
| 21. | Anand Rathi Advisors Limited |
| 22. | Amit Rathi Wealth Management Private Limited |
| 23. | Anand Rathi Commodities Limited |
| 24. | Anand Rathi Global Finance Limited |
| 25. | Anand Rathi Insurance Brokers Limited |
| 26. | Anand Rathi IT Private Limited |
| 27. | Anand Rathi Marketing Services Private Limited |
| 28. | Anand Rathi Power Projects Private Limited |
| 29. | Anand Rathi Share and Stock Brokers Limited |
| 30. | Anand Rathi Wealth Advisors Limited |
| 31. | Aphapplus Commodities Private Limited |
| 32. | Aqua Proof Wall Plast Private Limited |
| 33. | AR Trustee Company Private Limited |
| 34. | Ardnum Corporate Services Private Limited |
| 35. | Asha Leasing Finance Private Limited |
| 36. | Ashadeep Holdings (India) Private Limited |
| 37. | Daman Commodities Private Limited |
| 38. | Daman Ganga Textiles Private Limited |
| 39. | Emge Cylinders Private Limited |
| 40. | Flavoursome Foods & Beverages Private Limited |
| 41. | Freedom Wealth Solutions Private Limited |

| Sr. No. | Entity Name |
|---------|--|
| 42. | Girish Synthetics Private Limited |
| 43. | Ishka Films Private Limited |
| 44. | Ishka Focus Films LLP |
| 45. | Jaipur Securities Private Limited |
| 46. | Jakheta Finances Private Limited |
| 47. | Jiva Capital Partners Limited |
| 48. | Krishnav Currencyex Private Limited |
| 49. | Maa Gau Products Private Limited |
| 50. | Maheshwari Dhankosh Private Limited |
| 51. | Marmik Traders Private Limited |
| 52. | Metro Cement & Mines Private Limited |
| 53. | Metro Woven Sacks Private Limited |
| 54. | Mihika Steels Private Limited |
| 55. | Morningstar Money Invest Private Limited |
| 56. | Navratan Foundation LLP |
| 57. | Network Synthetics Private Limited |
| 58. | Parth InfraSteels Private Ltd |
| 59. | PKG Finstock Private Limited |
| 60. | Prasidh Syntex Private Limited |
| 61. | Prudent Money Movers Private Limited |
| 62. | Pushpalata Rathi Foundation |
| 63. | Rajasthan Engg. And Consultant Private Limited |
| 64. | Rathi IT Solutions Private Limited |
| 65. | Rathi Renewable Energy Private Limited |
| 66. | Rathik Management Consultants Company Limited |
| 67. | Rukmani Agencies Private Limited |
| 68. | Rukmani Mercantile Private Limited |
| 69. | Sapphire Human Solutions Private Limited |
| 70. | Sarweshwer Enterprises |
| 71. | SECMEC Consultants Private Limited |
| 72. | Shine Capital and Securities Private Limited |
| 73. | Shri Shrimal Advisors Private Limited |
| 74. | Suresh Rathi Commodities Private Limited |
| 75. | Suresh Rathi Finance Private Limited |
| 76. | Suresh Rathi Finvest Private Limited |
| 77. | Suresh Rathi Securities Private Limited |
| 78. | Swati Capitals Private Limited |
| 79. | Vidhi Sales Private Limited |

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, for the purpose of identification of ‘group companies’, our Board has considered companies covered in the list of related parties determined in accordance with applicable accounting standards (*i.e.*, IND AS 24 issued by the Institute of Chartered Accountants of India) as per the Restated Financial Information and other companies as considered material by our Board.

Further, pursuant to a resolution of our Board dated March 15, 2018 our Board has determined that other than the entities, being related parties determined in accordance with applicable accounting standards (*i.e.*, Accounting Standard 24 issued by the Institute of Chartered Accountants of India) there are no other entities which are material to our Company and ought to be classified as group companies of our Company.

Consequently, as of the date of the Draft Red Herring Prospectus, in addition to ARFSL and our Subsidiaries, the following companies have been identified as Group Companies of our Company:

1. ARAL;
2. ARCL;
3. ARGFL;
4. ARHFL;
5. ARIVPL
6. ARIBL;
7. ARITPL;
8. ARSSBL;
9. ARTCPL; and
10. ARWAL.

Unless otherwise specifically stated, none of our Group Companies described below: (i) are listed or have been refused listing on any stock exchange in India or abroad or; (ii) have made any public or rights issue of equity shares in the last three years or; (iii) have become a sick company within the meaning of SICA; (iv) are under winding-up; (v) have become defunct; and (vi) have made an application to the relevant registrar of companies in whose jurisdiction such Group Companies are registered in the five years preceding from the date of filing this Draft Red Herring Prospectus with SEBI, for striking off its name; (vii) have received any significant notes on the financial statements from the auditors or (viii) had negative net worth as of the date of their last audited financial statements.

I. Details of the top five Group Companies of our Company

The details of the top five Group Companies, excluding ARFSL and our Subsidiaries, *i.e.* the five largest unlisted Group Companies based on turnover as per the latest available audited financial statements of such group companies, are as below:

1. ARGFL

Corporate Information

ARGFL was originally incorporated as a private limited company under the name Rathi Global Finance Private Limited under the Companies Act, 1956 on February 3, 1982. Subsequently, Rathi Global Finance Private Limited changed its name to Rathi Global Finance Limited and received a fresh certificate of incorporation dated November 13 2006. Subsequently, Rathi Global Finance Limited converted into a public company to Anand Rathi Global Finance Limited and received a fresh certificate of incorporation dated March 29, 2010. Its corporate identification number is U67190MH1982PLC140380. Its registered office is situated at 4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400 063, India.

ARGFL is a Non- Banking Financial Company – NDSI (Non-Deposit Systemically Important) under the direction issued by Reserve Bank of India engaged in the business of non-banking financial services.

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in ARGFL and any dividend distribution and/or corporate benefits which may be made by ARGFL in the future:

| Sr. No. | Name of promoter | Number of equity shares in Anand Rathi Global Finance Limited | Percentage of holding (%) |
|---------|---|---|---------------------------|
| 1. | Anand Rathi Financial Services Limited* | 17,899,400 | 100.00 |

*Each of Ms. Supriya Rathi, Mr. Amit Rathi, Mr. Anand Rathi, Mr. Pradeep Gupta, Ms. Priti Gupta and Mr. Navratnam Gupta hold 100 equity shares as nominee of Anand Rathi Financial Services Limited.

Financial Performance

Brief financial details of ARGFL, derived from its audited accounts for the past three Fiscals are as follows:

| Particulars | As per Indian GAAP | | |
|---|--------------------|-------------|-------------|
| | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
| Equity capital | 179.00 | 179.00 | 179.00 |
| Reserves and Surplus (excluding revaluation reserves) | 2,430.88 | 2,006.14 | 1,808.10 |
| Revenue from Operations & Other Income | 2,867.78 | 1,971.20 | 1,191.95 |
| Profit/(Loss) after Tax | 424.74 | 198.01 | 170.00 |
| Earnings / (Loss) per share (₹) Basic | 23.73 | 11.06 | 9.89 |
| Earnings per share (₹) Diluted | 23.73 | 11.06 | 9.89 |
| Net asset value per share (in ₹) | 145.80 | 122.07 | 111.01 |

(in ₹ million)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

2. ARSSBL

Corporate Information

ARSSBL was originally incorporated as a private limited company under the name Navratnam Capital and Securities Private Limited under the Companies Act, 1956 on November 22, 1991. Subsequently, Navratnam Capital and Securities Private Limited received a fresh certificate of incorporation pursuant to conversion of name to Navratnam Capital and Securities Private Limited dated March 21, 2007. Subsequently, the name of company got changed to Anand Rathi Share and Stock Brokers Limited and received a fresh certificate of incorporation dated January 29, 2008. Its corporate identification number is U67120MH1991PLC064106. Its registered office is situated at 4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400 063, India.

It is currently engaged in the business of shares and stock broking, commodities broking, currency broking and as a depository participant with CDSL and NSDL.

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in Anand Rathi Share and Stock Brokers Limited and any dividend distribution and/or corporate benefits which may be made by ARSSBL in the future:

| Sr. No. | Name of Promoter | Number of equity shares in Anand Rathi Share and Stock Brokers Limited | Percentage of holding (%) |
|---------|--|--|---------------------------|
| 1. | Anand Rathi Financial Services Limited.* | 86,91,642 | 100.00 |

* Each of Mr. Anand Rathi, Mr. Pradeep Gupta, Ms. Priti Gupta, Ms. Sushila Devi Gupta and Mr. Navratnam Gupta and Mr. Roop Kishor Bhootra hold one equity share as nominee of Anand Rathi Financial Services Limited.

Financial Performance

Brief financial details of ARSSBL, derived from its audited accounts for the past three Fiscals are as follows:

(in ₹ million)

| Particulars | As per Indian GAAP | | |
|--|--------------------|-------------|-------------|
| | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
| Equity capital | 86.92 | 86.92 | 86.92 |
| Reserves and Surplus (excluding revaluation reserves) | 833.52 | 681.05 | 627.79 |
| Revenue from Operations & Other Income | 2,625.01 | 1,879.24 | 1,564.49 |
| Profit/(Loss) after Tax | 152.47 | 53.26 | 44.92 |
| Earnings / (Loss) per share (₹) Basic (before exceptional items) | 17.54 | 12.29 | 5.17 |
| Earnings per share (₹) Diluted (before exceptional items) | 17.54 | 12.29 | 5.17 |
| Earnings / (Loss) per share (₹) Basic (after exceptional items) | 17.54 | 6.13 | 5.17 |
| Earnings per share (₹) Diluted (after exceptional items) | 17.54 | 6.13 | 5.17 |
| Net asset value per share (in ₹) | 105.90 | 88.36 | 82.23 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

3. ARIBL

Corporate Information

ARIBL was originally incorporated as a private limited company under the name Pooja Capital and Securities Private Limited under the Companies Act, 1956 on March 20, 1992. Subsequently, Pooja Capital and Securities Private Limited changed its name to AR Insurance Brokers Private Limited and received a fresh certificate dated February 13, 2003. Thereafter, AR Insurance Brokers Private Limited converted into public company and received fresh certificate of incorporation on March 20, 2007. Thereafter, AR Insurance Brokers Limited received a fresh certificate of incorporation pursuant to change of name to Anand Rathi Insurance Brokers Limited and got a fresh certificate of incorporation dated November 1, 2007. Its corporate identification number is U67120MH1992PLC066006. Its registered office is situated at 10th Floor, Regent Chambers, Jammalal Bajaj Road Nariman Point, Mumbai 400 021, India.

It is currently engaged in the business of composite insurance broking as of the date of this Draft Red Herring Prospectus.

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in ARIBL and any dividend distribution and/or corporate benefits which may be made by ARIBL in the future:

| Sr. No. | Name of promoter | Number of equity shares in Anand Rathi Insurance Brokers Limited | Percentage of holding (%) |
|---------|---|--|---------------------------|
| 1. | Anand Rathi Financial Services Limited* | 5,828,000 | 100.00 |

* Each of Ms. Supriya Rathi, Mr. Amit Rathi, Mr. Anand Rathi, Mr. Pradeep Gupta, Ms. Priti Gupta and Mr. Navratanmal Gupta hold one equity share as nominee of Anand Rathi Financial Services Limited.

Financial Performance

Brief financial details of ARIBL, derived from its audited accounts for the past three Fiscals are as follows:

(in ₹ million)

| Particulars | As per Indian GAAP | | |
|---|--------------------|-------------|-------------|
| | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
| Equity capital | 58.28 | 29.14 | 5.83 |
| Reserves and Surplus (excluding revaluation reserves) | 126.67 | 100.35 | 63.80 |
| Revenue from Operations & Other Income | 338.53 | 279.82 | 133.87 |
| Profit/(Loss) after Tax | 55.46 | 59.87 | 19.84 |
| Earnings / (Loss) per share (₹) Basic | 9.52 | 20.54 | 34.03 |
| Earnings per share (₹) Diluted | 9.52 | 20.54 | 34.03 |
| Net asset value per share (in ₹) | 31.73 | 44.44 | 119.47 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

4. ARCL

Corporate Information

ARCL was originally incorporated as a private limited company under the name Priti Capital and Securities Private Limited under the Companies Act, 1956 on November 22, 1991. Subsequently, Priti Capital and Securities Private Limited changed its name to Navratan Comdex Private Limited and it received a fresh certificate of incorporation dated December 12, 2003. Thereafter, Navratan Comdex Private Limited changed its name to Navratan Commodities Private Limited and it received a fresh certificate of incorporation dated July 21, 2006. Thereafter, Navratan Commodities Private Limited changed its name to Anand Rathi Commodities Private Limited and received a fresh certificate of incorporation dated February 2, 2007. Anand Rathi Commodities Private Limited converted into a public limited company and it received a fresh certificate of incorporation pursuant to change of name dated March 9, 2007. Its corporate identification number is U67120MH1991PLC064107. Its registered office is situated at 4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400 063, India.

The main objects in terms of the memorandum of association of ARCL authorises it to carry on the business of trading in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities in spot markets and in futures and all kinds of derivatives of all the above commodities and securities. However, as of the date of this Draft Red Herring Prospectus, ARCL has no business.

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in ARCL and any dividend distribution and/or corporate benefits which may be made by ARCL in the future:

| Sr. No. | Name of promoter | Number of equity shares in Anand Rathi Commodities Limited | Percentage of holding (%) |
|---------|---|--|---------------------------|
| 1. | Anand Rathi Financial Services Limited* | 595,375 | 100.00 |

*Each of Mr. Anand Rathi, Mr. Amit Rathi, Mr. Pradeep Gupta, Ms. Priti Gupta, Mr. Navratanmal Gupta and Ms. Sushila Devi Gupta hold one equity share as nominee of Anand Rathi Financial Services Limited.

Financial Performance

Brief financial details of ARCL, derived from its audited accounts for the past three Fiscals are as follows:

(in ₹ million)

| Particulars | As per Indian GAAP | | |
|---|--------------------|-------------|-------------|
| | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
| Equity capital | 3.47 | 3.47 | 3.47 |
| Reserves and Surplus (excluding revaluation reserves) | 86.09 | 87.90 | 80.47 |

| | | | |
|---|--------|--------|--------|
| Revenue from Operations & Other Income | 223.17 | 220.44 | 190.06 |
| Profit/(Loss) after Tax | (1.82) | 7.43 | 3.34 |
| Earnings / (Loss) per share (₹) Basic | (5.24) | 14.16 | 9.63 |
| Earnings per share (₹) Diluted | (3.05) | 14.16 | 9.63 |
| Net asset value per share (in ₹) | 256.71 | 261.92 | 240.62 |

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. ARITPL

ARITPL was incorporated as a private limited company under the Companies Act, 1956 on September 27, 2010. Its corporate identification number is U72200RJ2010PTC032949. Its registered office is situated at CYB-2, Cyber Park, Heavy Industrial Area, Jodhpur, Rajasthan 342001, India.

As of the date of this Draft Red Herring Prospectus, it is currently engaged in the business of IT related activities.

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in ARITPL and any dividend distribution and/or corporate benefits which may be made by ARITPL in the future:

| Sr. No. | Name of promoter | Number of equity shares in Anand Rathi IT Private Limited | Percentage of holding (%) |
|---------|-------------------|---|---------------------------|
| 1. | Mr. Anand Rathi | 8,52,000 | 60.00 |
| 2. | Mr. Pradeep Gupta | 1,00,000 | 7.04 |

Financial Performance

Brief financial details of ARITPL, derived from its audited accounts for the past three Fiscals are as follows:

| Particulars | As per Indian GAAP | | |
|---|--------------------|-------------|-------------|
| | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
| Equity capital | 14.20 | 14.20 | 14.20 |
| Reserves and Surplus (excluding revaluation reserves) | 21.28 | 7.19 | 3.99 |
| Revenue from Operations & Other Income | 181.96 | 97.81 | 66.96 |
| Profit/(Loss) after Tax | 14.09 | 3.20 | 3.02 |
| Earnings / (Loss) per share (₹) Basic | 9.92 | 2.25 | 2.13 |
| Earnings per share (₹) Diluted | 9.92 | 2.25 | 2.13 |
| Net asset value per share (in ₹) | 24.99 | 15.06 | 12.81 |

(in ₹ million)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Loss making Group Companies

The following Group Companies has incurred a loss in the immediately preceding financial year:

| S.no. | Name of entity | Profit/ (Loss) (Amount in ₹ million) | | |
|-------|---------------------|--------------------------------------|-------------|-------------|
| | | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 |
| 1. | ARHFL [#] | (1.10) | N.A. | N.A. |
| 2. | ARIVPL [*] | (0.00) | (0.38) | N.A. |
| 3. | ARCL | (1.82) | 7.43 | 3.34 |

[#] ARHFL was incorporated on January 15, 2018.

^{*} ARIVPL was incorporated on December 28, 2016. ARIVPL has reported a loss of ₹ 5,000 for Fiscal 2018.

Details of our other Group Companies

Please see below the companies have been identified as Group Companies of our Company in addition to ARFSL and our Subsidiaries.

1. ARAL

Corporate Information

ARAL was incorporated as a private limited company under the name Samarth Yarn Trading Company Private Limited on May 26, 1987 under the Companies Act, 1956. ARAL received a fresh certificate of incorporation pursuant to change of name dated September 9, 2015. Its corporate identification number is U17100MH1987PLC043579. Its registered office is situated at 4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400 063, India.

As of the date of this Draft Red Herring Prospectus, it is engaged in the business of Investment Banking and PMS (Portfolio Management Services).

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in ARAL and any dividend distribution and/or corporate benefits which may be made by ARAL in the future:

| Sr. No. | Name of promoter | Number of equity shares in Anand Rathi Advisors Limited | Percentage of holding (%) |
|---------|--------------------|---|---------------------------|
| 1. | Mr. Anand Rathi* | 100 | 0 |
| 2. | Mr. Pradeep Gupta* | 100 | 0 |

*Equity shares held as nominee of Anand Rathi Global Finance Limited.

2. ARWAL

Corporate Information

ARWAL was incorporated as a public limited company under the Companies Act, 1956 on May 11, 2009 and received its certificate for commencement of business on September 16, 2009. The registered office of ARWAL is situated at 4th Floor, Silver Metropolis, Jai Coach Compound, Opposite Bimbisar Nagar, Goregaon (East), Mumbai 400 063, India. The CIN of ARWAL is U65999MH2009PLC192316.

The main objects in terms of the memorandum of association of ARWAL authorises it to carry on the business as advisors, consultants, counselors, management consultant, in all kind of Wealth Management services, undertake activity as portfolio manager and services to individuals, non residents, firms, bodies corporate including overseas corporate bodies, Institutions, Banks, Financial Institutions, Foreign Institutional Investors, trust, mutual funds, undertaking of any Central State, local or municipal authorities, whether in India or elsewhere and to provide financial advisory services. However, as of the date of this Draft Red Herring Prospectus, ARWAL has no business.

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in ARWAL and any dividend distribution and/or corporate benefits which may be made by ARWAL in the future:

| Sr. No. | Name of promoter | Number of equity shares in Anand Rathi Wealth Advisors Limited | Percentage of holding (%) |
|---------|-------------------|--|---------------------------|
| 1. | Mr. Anand Rathi | 42,450 | 84.90 |
| 2. | Mr. Pradeep Gupta | 10 | 0.02 |

3. ARTCPL

Corporate Information

ARTCPL was incorporated as a private limited company under the name Indiacoch.com Private Limited on April 20, 2000 under the Companies Act, 1956. ARTCPL received a fresh certificate of incorporation pursuant to change of name dated February 13, 2006. The registered office of ARTCPL is situated at 11th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013, India. The CIN of ARTCPL is U80903MH2000PTC126030.

The main objects in terms of the memorandum of association of ARTCPL authorises it to carry on the business of office or offices and duties of trustee, custodian trustee, executor administrator, liquidator, receiver, attorney or nominee of, or for funds and assets of all kinds including Mutual funds, offshore funds, alternative investment funds, pension funds, superannuation funds, debentures holders and to hold the property in trust for the benefit of the beneficiaries of the trust. However, as of the date of this Draft Red Herring Prospectus, ARTCPL has no business.

Nature and Extent of Interest of our Promoters

Our Promoters are interested to the extent of their shareholding and directorship in ARTCPL and any dividend distribution and/or corporate benefits which may be made by ARTCPL in the future.

| Sr. No. | Name of promoter | Number of equity shares in AR Trustee Company Private Limited | Percentage of holding (%) |
|----------------|-------------------------|--|----------------------------------|
| 1. | Mr. Anand Rathi | 29,100 | 85.09 |

Group Companies with negative net worth

None of our Group Companies have had a negative net worth in one or all of the previous three Fiscals.

Nature and extent of interest of our Group Companies

(i) Interest in promotion of our Company

As of the date of this Draft Red Herring Prospectus, our Group Companies have no interest in the promotion of our Company, except as disclosed in “*Related Party Transaction*” on page 206 of this Draft Red Herring Prospectus. Further, except as disclosed in “*Related Party Transaction*” and “*Capital Structure*” on pages 206 and 81 of this Draft Red Herring Prospectus, respectively, our Group Companies have no other interests, including any business interests, in our Company.

(ii) Interest in the properties acquired or proposed to be acquired by our Company

Our Group Companies have no interest in any property acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company as of the date of this Draft Red Herring Prospectus.

(iii) Interest in being a member of a firm or company

Our Group Companies are not interested as members of a firm or company, and no sum has been paid or agreed to be paid to any of our Group Companies or to such firm or company in cash or shares or otherwise by any person either to induce any of our Group Companies to become, or to qualify any of our Group Companies as a director or otherwise for services rendered by our Group Companies or by such firm or company in connection with the promotion or formation of our Company.

(iv) Interest in transactions for acquisition of land, construction of building and supply of machinery

Except as stated in “*Related Party Transactions*” on page 206 and in “*Promoters and Promoter Group - Interest in acquisition of land, construction of building and supply of machinery*” on page 190 of this Draft Red Herring Prospectus, our Group Companies have no interest in the transactions for acquisition of land, construction of building and supply of machinery or any other contracts, agreements or arrangements entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements by our Company to its Group Companies.

Common pursuits between our Company and our Group Companies

Except as stated in “*Promoters and Promoter Group-Other ventures of our Promoters*” on page 191 of this Draft Red Herring Prospectus, our Group Companies do not have any common pursuits with our Company.

Related business transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus, there are no related business transactions of our Company with our Group Companies. For details on the significance of related party transactions on the financial performance of our Company, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 142 and 331 of this Draft Red Herring Prospectus, respectively.

Sales/Purchases between our Company and our Group Companies

Our Group Companies (excluding ARFSL and our Subsidiaries) are not involved in any sales or purchases with our Company in Fiscal 2018 where such sales or purchases exceed, in the aggregate, 10% of the total sales or purchases of our Company.

Other confirmations

Our Group Companies have not been prohibited or debarred from accessing the capital markets for any reason by SEBI or any other regulatory or governmental authority.

Further, none of our Group Companies have been identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries. The details of which are as follows:

Direct Subsidiaries

1. ARWMPL

Corporate Information

ARWMPL was originally incorporated as a private limited company under the name of Vecare Investments Private Limited under the Companies Act, 1956 on February 14, 1996. Subsequently, Vecare Investments Private Limited received a fresh certificate of incorporation pursuant to change of name of Vecare Investments Private Limited dated June 13, 2003 as K. B. Productions Private Limited. Thereafter, K. B. Productions Private Limited received a fresh certificate of incorporation pursuant to change of name of that company dated December 29, 2014 as AR Wealth Management Private Limited. Its corporate identification number is U65923MH1996PTC097270. Its registered office is situated at 11th Floor, Times Tower, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013.

Nature of business

ARWMPL is engaged in the business of:

1. acting as advisors, consultants, counselors, management consultant, in all kind of wealth management services, undertake activity as portfolio manager and services to individuals, non-residents, firms, bodies corporate including overseas corporate bodies, institutions, banks, financial institutions, foreign institutional investors, trust, mutual funds, undertaking of any central, state, local or municipal authorities, whether in India or elsewhere and to provide financial advisory services; and
2. carrying on the business of portfolio management subject to Securities and Exchange Board of India (Portfolio Managers) Rules, 1992 and SEBI (Portfolio Managers) Regulations, 1993 and such other approval as may be required from other authorities subject to compliance of any other law in this regard, but as contemplated by the

Reserve Bank of India Act / Banking Regulation Act, 1949 and to act as portfolio managers, portfolio advisors, to engage in the business of managing portfolio of securities, to manage investment pools, stocks, securities and finance, to mobilize and manage funds of any person or company by investment in various avenues like stocks, shares, debentures, bonds, mutual fund units, bank deposits, like growth fund, income fund, risk fund, tax – exempt funds, pension funds, superannuation funds, derivatives, commodities etc. and to pass on the benefit of portfolio investments to the investors as dividend, bonus, interest and to provide complete range of portfolio management services and personal financial services.

Capital Structure

The authorised share capital of ARWMPL is ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid up share capital of ARWMPL is ₹ 41,789,470 divided into 4,178,947 equity shares of face value of ₹ 10 each.

Shareholding Pattern

The Shareholding pattern of ARWMPL as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of the Shareholder | Number of equity shares | Percentage (%) |
|----------------|---|--------------------------------|-----------------------|
| 1. | Mr. Avinash Jaykumar Bhokare | 9,452 | 0.23 |
| 2. | Mr. Bhupendra Sharma | 18,727 | 0.45 |
| 3. | Mr. Bishnupada Sahu | 105,000 | 2.51 |
| 4. | Mr. Harbinder Singh Darshan Singh Saini | 105,000 | 2.51 |
| 5. | Mr. Lahoti Prasanna | 9,452 | 0.23 |
| 6. | Ms. Menka Sumeet Vaid | 20,600 | 0.49 |
| 7. | Ms. Nandita Sud | 185,399 | 4.44 |
| 8. | Mr. Sumeet Vaid | 211,106 | 5.05 |
| 9. | Ms. Swati Agrawal | 28,641 | 0.69 |
| 10. | Mr. Amit Rathi | 400,000 | 9.57 |
| 11. | Mr. Anand Rathi | 100,000 | 2.39 |
| 12. | Anand Rathi Wealth Services Limited | 2,849,986 | 68.20 |
| 13. | Ms. Saini Daizy Harbinder Singh | 9,453 | 0.23 |
| 14. | Mr. Sandeep Parekh | 1,702 | 0.04 |
| 15. | Sumeet Surinder Nath Vaid HUF | 11,385 | 0.27 |
| 16. | Ms. Supriya Rathi | 100,000 | 2.39 |
| 17. | Yuj Designs Private Limited | 13,044 | 0.31 |
| | Total | 4,178,947 | 100.00 |

Accumulated Profits or Losses

There are no accumulated losses/ profits of ARWMPL not accounted for by our Company in the Restated Consolidated Financial Information.

2. FWSPL

Corporate Information

FWSPL was incorporated as a private limited company under the Companies Act, 1956 on February 13, 2009. Its corporate identification number is U74990MH2009PTC190352. Its registered office is situated at 2nd Floor, Seagull House, Shivaji Colony, Off Andheri Kurla Road, Chakala, Andheri (East), Mumbai, Maharashtra 400099, India.

Nature of business

FWSPL is engaged in the business of providing consultancy in the field of wealth management services, wealth planning, financial planning, retirement planning, investment planning, property management, will writing, property valuation, sales, marketing, finance and accounts, human resource, legal and secretarial, business

management, manufacturing, construction and project management functions.

Capital Structure

The authorised share capital of FWSPL is ₹ 29,500,000 divided into 2,950,000 equity shares of ₹ 10 each. The issued, subscribed and paid up share capital of FWSPL is ₹ 24,963,810 divided into 2,496,381 equity shares of face value of ₹ 10 each.

Shareholding Pattern

The Shareholding pattern of FWSPL as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of the Shareholder | Number of equity shares | Percentage (%) |
|----------------|--|--------------------------------|-----------------------|
| 1. | Anand Rathi Wealth Services Limited | 2,371,625 | 95.00 |
| 2. | Mr. Anand Rathi | 10 | 0.00 |
| 3. | Anand Rathi HUF | 10 | 0.00 |
| 4. | Mr. Amit Rathi | 10 | 0.00 |
| 5. | Mr. Pradeep Gupta | 10 | 0.00 |
| 6. | Ms. Priti Gupta | 10 | 0.00 |
| 7. | P. K. Gupta & Sons | 10 | 0.00 |
| 8. | Ms. Supriya Rathi | 10 | 0.00 |
| 9. | Mr. JitendraTanna | 63,305 | 2.54 |
| 10. | Ms. Anisha Chaturvedi | 26,598 | 1.07 |
| 11. | Techno Auto Components Private Limited | 26,598 | 1.07 |
| 12. | Mr. Vikram Nirula | 8,185 | 0.33 |
| | Total | 2,496,381 | 100.00 |

Accumulated Profits or Losses

There are no accumulated losses/ profits of FWSPL not accounted for by our Company in the Restated Consolidated Financial Information.

ARWMPL, a Subsidiary, acquired 95.1% shares of FWSPL in August, 2016 pursuant to a share purchase agreement dated August 10, 2016. Subsequently, in September, 2017, ARWMPL has transferred its entire shareholding in FWSPL to our Company. However, as per the SEBI (Investment Advisers) Regulations, 2013, a prior approval of SEBI was required for undertaking this acquisition. Accordingly, on March 19, 2018, FWSPL applied to SEBI to for its *post-facto* approval for change in control under the SEBI (Investment Advisers) Regulations, 2013 and for condonation of delay in seeking such approval. FWSPL has also filed an application for settlement in terms of the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.

Indirect Subsidiary

3. FIINFRA

Corporate Information

FIINFRA was originally incorporated as a private company under the name of Ffreedom Financial Planners and Investment Advisors Private Limited under the Companies Act, 1956 on July 19, 2013. Subsequently, Ffreedom Financial Planners and Investment Advisors Private Limited received a fresh certificate of incorporation pursuant to change of name of that company dated February 3, 2014 as Ffreedom Intermediary Infrastructure Private Limited. Its corporate identification number is U74999MH2013PTC245870. Its registered office is situated at 2nd Floor, Seagull House, Shivaji Colony, Off Andheri Kurla Road, Chakala, Andheri(East) Mumbai, Maharashtra 400099 India.

Nature of business

FIINFRA is engaged in the business of collecting, processing information in various manner using manual, electronic, mobile or any other mediums or devices from clients, intermediaries, corporate and people in

general, to create analytics, statistics, reports, educational information, educational programmes, investor education information, store, digitise, collate data and information and to create, design, invent, prepare, own, develop, market, distribute, franchise out, rent, outsource, operate as service of software systems, software solution, hardware and to deal with computers data processing machines or any other equipment and materials of every kind and description useful in connection with collections, evaluations & storage of data/information, data input tool, and output reports and provide guidelines and actionables, engage with clients, intermediaries and other corporate, providing various kinds of calculators, risk assessment engines, loan eligibility calculators, and various planning tools, providing any type of tools, mobile applications, computer programs, to undertake assignments from clients on knowledge process outsourcing model and to deliver as per their requirements in terms of building infrastructure on the basis of information technology (IT) or non IT and make it available worldwide.

Capital Structure

The authorised share capital of FIINFRA is ₹ 20,000,000 divided into 2,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid up share capital of FIINFRA is ₹ 5,988,370 divided into 598,837 equity shares of face value of ₹ 10 each.

Shareholding Pattern The Shareholding pattern of FIINFRA as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of the Shareholder | Number of equity shares | Percentage (%) |
|----------------|--------------------------------|--------------------------------|-----------------------|
| 1. | ARWMPL* | 598,837 | 100.00 |
| | Total | 598,837 | 100.00 |

*Mr. Amit Rathi holds one equity share as a nominee of AR Wealth Management Private Limited.

Accumulated Profits or Losses

There are no accumulated losses/ profits of FIINFRA not accounted for by our Company in the Restated Consolidated Financial Information.

Public issue and rights issue

As of the date of this Draft Red Herring Prospectus, none of the Subsidiaries (i) is listed or has been refused listing on any stock exchange in India or abroad or (ii) has made any public or rights issue of equity shares in the last three years or (iii) has become a sick company as specified under applicable laws or (iv) is under winding up proceedings.

Interest in our Company

None of our Subsidiaries hold Equity Shares in our Company and do not have any interest in our Company's business other than as stated in "Our Business" and "Related Party Transactions" on pages 142 and 206 of this Draft Red Herring Prospectus, respectively.

Common Pursuits

All our Subsidiaries are engaged in lines of business that are synergistic with the business of our Company as a result of which there is no conflict of interest due to common pursuits between our Subsidiaries and our Company.

Sales or Purchases

There are no sales and purchases in Fiscal 2018 between any of the Subsidiaries and our Company, where such sales or purchases exceed, in the aggregate, 10% of the total sales or purchases of our Company.

DIVIDEND POLICY

The declaration and payment of dividends by our Company is governed by the applicable provisions of the Companies Act, 2013, our Dividend Distribution Policy (“**Policy**”), our Memorandum of Association and Articles of Association. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our shareholders, at their discretion, in accordance with the provisions of our Articles of Association and applicable law, including the Companies Act, 2013 (together with applicable rules issued thereunder).

As per the Policy, the final dividend can be paid once for the financial year after the annual accounts are prepared. The Board of Directors of our Company has the power to recommend the payment of final dividend to the shareholders for their approval at the general meeting of our Company. The interim 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 may be. While recommending any payment of dividend by our Company, the Board shall consider amongst other things, financial parameters such as profits for the current year, future outlook for our Company, working capital needs, operating cash flow, dividend pay-out ratio, investment plans and related cash utilisation and any other relevant factors that the Board may deem fit.

Our Company has not declared any dividends during the last five Fiscals immediately preceding the date of filing of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Fiscals as per the requirements under Accounting Standard 18/ Ind-AS 24 “Related Party Disclosures”, please see “*Financial Information – Annexure V – Note 31*” of Restated Consolidated Financial Information, “*Financial Information – Annexure V – Note 28*” and “*Financial Information – Annexure IV – Note 17*” of Restated Standalone Financial Information on pages 240, 290 and 324 of this Draft Red Herring Prospectus, respectively.

SECTION V: FINANCIAL INFORMATION

FINANCIAL INFORMATION

| Sr. No. | Details | Page No. |
|----------------|--|-----------------|
| 1. | Restated Ind AS Consolidated Financial Information | 208 |
| 2. | Restated Ind AS Standalone Financial Information | 259 |
| 3. | Restated Previous Indian GAAP Standalone Financial Information | 311 |

To,
The Board of Directors,
Anand Rathi Wealth Services Limited
(Formerly known as A R Venture Funds Management Limited)
4th Floor, Silver Metropolis,
Jaicoach Compound, Opposite Bimbisar Nagar,
Goregaon (East),
Mumbai - 400 063.

Auditor's Report on Restated Ind AS Consolidated Financial Information as at and for the years ended March 31, 2018 and March 31, 2017 in connection with the Public Offering of Anand Rathi Wealth Services Limited

Dear Sirs

- 1) We have examined the attached Restated Ind AS Consolidated Financial Information of Anand Rathi Wealth Services Limited (formerly known as A R Venture Funds Management Limited) (the "Company") and its subsidiaries (together referred as the "Group"), which comprise of the restated Ind AS Consolidated summary statement of assets and liabilities as at March 31, 2018 and March 31, 2017, the restated Ind AS Consolidated summary statement of profit and loss (including other comprehensive income), the restated Ind AS Consolidated summary statement of cash flows and the restated Ind AS Consolidated summary statement of changes in equity for the years ended March 31, 2018 and March 31, 2017, read together with summary of significant accounting policies, annexures and notes thereto and other restated Ind AS Consolidated financial information described in paragraph 7 below (collectively, together with the notes and annexures thereto, referred to as the "Restated Ind AS Consolidated Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offering (the "IPO") and offer for sale ("OFS") (collectively "the Public offering"). The Restated Ind AS Consolidated Financial Information have been approved by the Board of Directors in its meeting held on September 1, 2018 and is prepared in terms of the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act") as amended and
 - b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "SEBI ICDR Regulations") along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.
- 2) The preparation of the Restated Ind AS Consolidated Financial Information is the responsibility of Board of Directors and management of the Company for the purpose set out in paragraph 10 below. The said responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Ind AS Consolidated Financial Information. Management is also responsible for identifying and ensuring that the Company complies with the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note").

- 3) We have examined such Restated Ind AS Consolidated Financial Information taking into consideration:
- a. Terms of reference and terms of our engagement agreed upon with you the company in accordance with our engagement letter dated February 12, 2018 in connection with the proposed public offering of the Company; and
 - b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") as amended from time to time ("the Guidance Note").
- 4) The Restated Ind AS Consolidated Financial Information has been compiled by management of the company as follows:
- a. From the audited consolidated financial statements of the Group as at and for the year ended March 31, 2018 and March 31, 2017, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors of the Company at their meetings held on September 1, 2018, and September 8, 2017 respectively.
 - b. Audit of the consolidated financial statements for the financial year ended March 31, 2017 was conducted by previous auditor, Shравan Gandhi & Associates (the "erstwhile Auditor") and the reliance has been placed on Auditor's report issued by them dated September 8, 2017. The financial report included for the said previous year is based solely on the report submitted by them.
- 5) We did not audit the financial statements of three subsidiaries for the financial year ended March 31, 2018, whose share of total assets, total revenues, net cash flows included in the Restated Ind AS Consolidated Financial Information is tabulated below:

(Rs. In million)

| Particulars | 31 March 2018 |
|---------------------------|----------------------|
| Total assets | 425.89 |
| Revenue | 124.43 |
| Net cash (outflow)/inflow | (1.60) |

These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the Restated Ind AS Consolidated Financial Information are based solely on the report of such other auditors.

- 6) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:
- a. The Restated Ind AS Consolidated summary statement of assets and liabilities of the Group as at March 31, 2018 and March 31, 2017 examined by us, as set out in Annexure I of the Restated Ind AS Consolidate Financial Information to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Annexure V-46(1) to the Restated Ind AS Consolidated Financial Information.
 - b. The Restated Ind AS Consolidated summary statement of profit and loss of the Group for each of years ended March 31, 2018 and March 31, 2017 examined by us, as set out in Annexure II of the Restated Ind AS Consolidated Financial Information to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Annexure V-46(1) to the Restated Ind AS Consolidated Financial Information.
 - c. The Restated Ind AS Consolidated summary statement of cash flows of the Group for each of the years ended March 31, 2018 and March 31, 2017 examined by us, as set out in Annexure III of the Restated Ind AS Consolidated Financial Information to this report have been arrived at after making adjustments and regroupings / reclassifications as in our opinion were appropriate and more fully described in Annexure V-46(1) to the Restated Ind AS Consolidated Financial Information.
 - d. The Restated Ind AS Consolidated summary statement of changes in equity of the Group for each of the years ended March 31, 2018, March 31, 2017 examined by us, as set out in Annexure IV to the Restated Ind AS Consolidated Financial Information have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Annexure V-46(1) to the Restated Ind AS Consolidated Financial Information.
 - e. Based on the above and according to the information and explanations given to us, we further report that the Restated Ind AS Consolidated Financial Information:
 - i. do not contain any adjustment due to change in the accounting policy, since there are no change in accounting policies;
 - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - iii. do not contain any extra ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Financial Information in the respective financial years; and
 - iv. do not contain any qualification as at and for the year ended March 31, 2018 and March 31, 2017 which requires adjustments.
- 7) We have also examined the following other Restated Ind AS consolidated financial information of the Group set out in the Annexures prepared by management of the Company and approved by the Board of Directors at its meeting held on September 1, 2018 for the years ended March 31, 2018 and March 31, 2017:

Annexure V-3 - Restated Ind AS Consolidated Summary Statement of Property, Plant & Equipment
 Annexure V-4 – Restated Ind AS Consolidated Summary Statement of Other Intangible Asset
 Annexure V-5 - Restated Ind AS Consolidated Summary Statement of Investments
 Annexure V-6 - Restated Ind AS Consolidated Summary Statement of Loans
 Annexure V-7 - Restated Ind AS Consolidated Summary Statement of Other Financial Assets
 Annexure V-8 - Restated Ind AS Consolidated Summary Statement of Income Tax Assets(Net)
 Annexure V-9 - Restated Ind AS Consolidated Summary Statement of Deffered Tax Assets / (Liabilities)
 Annexure V-10 - Restated Ind AS Consolidated Summary Statement of Trade Recievable
 Annexure V-11- Restated Ind AS Consolidated Summary Statement of Cash and cash equivalents
 Annexure V-12 – Restated Ind AS Consolidated Summary Statement of Bank Balances other than as per Note 11
 Annexure V-13- Restated Ind AS Consolidated Summary Statement of Other Current Assets
 Annexure V-14- Restated Ind AS Consolidated Summary Statement of Equity Share Capital
 Annexure V-15 - Restated Ind AS Consolidated Summary Statement of Other equity
 Annexure V-16 – Restated Ind AS Consolidated Summary Statement of NonControlling Interest
 Annexure V-17 - Restated Ind AS Consolidated Summary Statement of Borrowings
 Annexure V-18 - Restated Ind AS Consolidated Summary Statement of Trade payables
 Annexure V-19 - Restated Ind AS Consolidated Summary Statement of Other financial liabilities
 Annexure V-20- Restated Ind AS Consolidated Summary Statement of Provisions
 Annexure V-21- Restated Ind AS Consolidated Summary Statement of Other Current Liabilities
 Annexure V-22- Restated Ind AS Consolidated Summary Statement of Revenue from operations
 Annexure V-23- Restated Ind AS Consolidated Summary Statement of Other income
 Annexure V-24 - Restated Ind AS Consolidated Summary Statements of Employee benefit expense
 Annexure V-25 - Restated Ind AS Consolidated Summary Statement of Finance costs
 Annexure V-26 - Restated Ind AS Consolidated Summary Statements of Other expense
 Annexure V-27- Restated Ind AS Consolidated Summary Statement of Income tax expense
 Annexure V-28 - Restated Ind AS Consolidated Summary Statement of Basis of Consolidation
 Annexure V-29 - Restated Ind AS Consolidated Summary Statement of Operating Segments
 Annexure V-30- Restated Ind AS Consolidated Summary Statement of Operating Leases
 Annexure V-31- Restated Ind AS Consolidated Summary Statement of Related party disclosures - "Related Party Disclosures"
 Annexure V-32 - Restated Ind AS Consolidated Summary Statement of Accounting Ratios
 Annexure V-33 – Restated Ind AS Consolidated Summary Statement of Share Based Payments
 Annexure V-34- Restated Ind AS Consolidated Summary of Corporate Social Responsibility
 Annexure V-35- Restated Ind AS Consolidated Summary Statement of Capital Management
 Annexure V-36– Restated Ind AS Consolidated Summary Statement of Capitalisation
 Annexure V-37 - Restated Ind AS Consolidated Summary Statement of Business Combinations
 Annexure V-39,40 - Restated Ind AS Consolidated Summary Statement of Contingent Liability
 Annexure V-43 - Restated Ind AS Consolidated Summary Statement of Dividend
 Annexure V-46(1) Restated Ind AS Consolidated Summary Statement of Material Adjustments
 Annexure V-47– Restated Ind AS Consolidated Summary Statement of subsequent events
 Annexure V-48 - Restated Ind AS Consolidated Summary Statement of Tax Shelter

According to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the erstwhile auditors in our opinion, the Restated Ind AS Consolidated Financial Information of the Group as at and for the years ended 31 March 2018 and 31 March 2017, and the above mentioned other restated Ind AS consolidated financial information contained in Annexures V-3 to V-50 of the Restated Ind AS Consolidated Financial Information accompanying this report, read with restated summary of significant accounting policies disclosed in Annexure V- 1 & 2 of the Restated Ind AS Consolidated Financial Information have been prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure V-46(1) and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

- 8) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- 9) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.
- 10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 11) Our report is intended solely for use of management for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, to be filed with the Securities and Exchange Board of India, the National stock Exchange of India Limited, BSE Limited where the equity shares are proposed to be listed and the Registrar of Companies, Maharashtra situated in Mumbai in connection with the proposed public offering by the Company. Our report should not be used, referred to or distributed to any other person for any other purpose except with our prior consent in writing.

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
(Firm's Registration
No:105146W)

Place: Mumbai
Dated: September 1, 2018

Hasmukh B. Dedhia
Partner (F-33494)

| ANAND RATHI WEALTH SERVICES LIMITED (Formerly Known as A R Venture Funds Management Limited) CIN : U67120MH1995PLC086696 ANNEXURE I RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES | | | |
|--|------------|----------------------|----------------------|
| (Rs in million) | | | |
| PARTICULARS | ANNEXURE | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| I ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | V - 3 | 48.01 | 18.98 |
| Goodwill | | 4.06 | 4.06 |
| Other Intangible assets | V - 4 | 133.47 | 90.10 |
| Intangible assets under development | V - 4 | 234.60 | 202.83 |
| Financial Assets | | | |
| - Investments | V - 5(i) | - | - |
| - Loan | V - 6(i) | 23.88 | 10.95 |
| - Other Financial assets | V - 7(i) | 2.50 | - |
| Current Tax Assets (Net) | V - 8 | 94.40 | 22.67 |
| Deferred Tax Assets | V - 9 | - | 3.92 |
| | | 540.92 | 353.51 |
| Current Assets | | | |
| Financial Assets | | | |
| - Investments | V - 5(ii) | 500.82 | - |
| - Trade Receivables | V - 10 | 122.74 | 74.60 |
| - Cash and cash equivalents | V - 11 | 5.68 | 26.52 |
| - Bank balances other than above | V - 12 | 0.39 | 0.37 |
| - Loans | V - 6(ii) | 150.00 | - |
| - Other Financial Assets | V - 7(ii) | 221.93 | 88.97 |
| Other Current Assets | V - 13 | 87.44 | 9.47 |
| | | 1,089.00 | 199.93 |
| TOTAL ASSETS | | 1,629.92 | 553.44 |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | V - 14 | 134.43 | 130.50 |
| Other Equity | V - 15 | 649.23 | (0.36) |
| Non Controlling Interest | V - 16 | (2.02) | 3.85 |
| | | 781.64 | 133.99 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | V - 17(i) | 4.97 | 1.35 |
| Provisions (Non Current) | V - 20(i) | 0.89 | 3.38 |
| Deferred Tax Liabilities | V - 9 | 76.23 | - |
| | | 82.09 | 4.73 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | V - 17(ii) | 1.88 | 251.73 |
| - Trade Payables | V - 18 | 53.84 | 40.66 |
| - Other Financial Liabilities | V - 19 | 388.77 | 13.51 |
| Provisions (Current) | V - 20(ii) | 255.16 | 75.50 |
| Other Current Liabilities | V - 21 | 66.54 | 33.32 |
| | | 766.19 | 414.72 |
| TOTAL EQUITY AND LIABILITIES | | 1,629.92 | 553.44 |
| <p>Note: The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.</p> <p>As per our attached report of even date. For and on Behalf of Board of Directors</p> <p>For and on Behalf of Khimji Kunverji & Co. Chartered Accountants Firm Reg No.105146W</p> <p>Amit Rathi Managing Director DIN : 00029791</p> <p>Rakesh Rawal Director & Chief Executive Officer DIN : 02839168</p> <p>Hasmukh B Dedhia Partner Membership No: F-033494 Mumbai September 1, 2018</p> <p>Dilip Balakrishnan Company Secretary</p> <p>Rajesh Bhutra Chief Financial Officer</p> | | | |

| ANAND RATHI WEALTH SERVICES LIMITED (Formerly Known as A R Venture Funds Management Limited) CIN : U67120MH1995PLC086696 ANNEXURE II RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF PROFIT & LOSS | | | |
|---|------------|--|---|
| (Rs in million) | | | |
| PARTICULARS | ANNEXURE | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
| I Revenue From Operation | V - 22 | 2,210.32 | 410.14 |
| II Other Income | V - 23 | 26.88 | 15.33 |
| Total Revenue | | 2,237.20 | 425.47 |
| III Expenses: | | | |
| Employee Benefit Expenses | V - 24 | 1,042.29 | 350.55 |
| Finance Costs | V - 25 | 87.32 | 1.18 |
| Depreciation and Amortisation Expenses | V - 3 & 4 | 51.80 | 10.34 |
| Other Expenses | V - 26 | 382.77 | 68.82 |
| Total Expenses | | 1,564.18 | 430.89 |
| IV Profit/(Loss) Before Tax | | 673.02 | (5.42) |
| V Tax Expenses: | | | |
| 1. Current Tax | V - 27(i) | 132.04 | 0.10 |
| 2. Deferred Tax | V - 27(ii) | 80.16 | (3.92) |
| Total Tax Expenses | | 212.20 | (3.82) |
| VI Profit/(Loss) for the Year | | 460.82 | (1.60) |
| Share of Non Controlling Interest | | (1.71) | (0.88) |
| | | 462.53 | (0.72) |
| VII Other Comprehensive Income/(Loss) | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | (1.12) | 0.31 |
| (ii) Less : Income tax relating to items that will not be reclassified to profit or loss | | - | 0.09 |
| (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) | | (1.12) | 0.22 |
| Share of Non Controlling Interest | | (0.00) | 0.01 |
| | | (1.12) | 0.21 |
| TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR | | 461.41 | (0.51) |
| VIII Earning Per Equity Share (After Split): | V - 32 | | |
| Basic | | 17.31 | (0.04) |
| Diluted | | 16.97 | (0.04) |
| (Rs. 0.00 million indicates amount are lower than Rs. 0.01 million) | | | |
| Note: The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50. | | | |
| As per our attached report of even date. | | For and on Behalf of Board of Directors | |
| For and on Behalf of Khimji Kunverji & Co. Chartered Accountants Firm Reg No.105146W | | Amit Rathi Managing Director DIN : 00029791 | Rakesh Rawal Director & Chief Executive Officer DIN : 02839168 |
| Hasmukh B Dedhia Partner Membership No: F-033494 Mumbai September 1, 2018 | | Dilip Balakrishnan Company Secretary | Rajesh Bhutra Chief Financial Officer |

RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF CASH FLOW

(Rs in million)

| | 2017-18 | 2016-17 |
|---|-----------------|-----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | 673.02 | (5.42) |
| Add / (Less) : | | |
| Depreciation | 51.80 | 10.34 |
| Interest Income | (1.30) | (0.31) |
| Interest Expenses | 87.32 | 1.18 |
| Dividend | - | (0.56) |
| Gain on Sale of Investments | (3.38) | (14.16) |
| Fair Value of Financial Instruments | (284.49) | - |
| (Gain)/Loss on sale of Fixed Assets | (0.50) | 1.33 |
| | (150.55) | (2.18) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 522.47 | (7.60) |
| Adjustment for : | | |
| Trade Receivables & Other / Financial Current Assets | 24.57 | (152.09) |
| Security Deposit Given | (12.93) | (10.96) |
| Short Term Borrowing & Other Current Liabilities | 598.75 | 161.41 |
| Change in ESOP Outstanding | 0.03 | 0.04 |
| | 610.42 | (1.60) |
| CASH GENERATED FROM OPERATIONS | 1,132.89 | (9.20) |
| Add / (Less) : | | |
| Direct Taxes Paid (Net) | (203.76) | (22.42) |
| NET CASH FROM OPERATING ACTIVITIES | 929.13 | (31.62) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Sale/(Purchase) of Fixed Assets | (34.56) | (21.98) |
| Dilution of NCI | (69.03) | - |
| Acquisition of Intangible Assets | (89.12) | (98.78) |
| Intangible Assets Under Development | (31.78) | (202.83) |
| Dividend | - | 0.56 |
| Interest Income | 1.30 | 0.31 |
| Sale/(Purchase) of Other Investment | (496.62) | 56.59 |
| Loans Given | (150.00) | - |
| Investment in Fixed Deposit | (2.52) | (0.37) |
| NET CASH FROM INVESTING ACTIVITIES | (872.33) | (266.50) |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Loan Taken/(Repayment) | (246.22) | 253.08 |
| Interest Expenses | (87.32) | (1.18) |
| Issue of Shares | 255.90 | 67.30 |
| NET CASH USED IN FINANCING ACTIVITIES | (77.64) | 319.20 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (20.84) | 21.08 |
| CASH AND CASH EQUIVALENTS - Opening Balance | 26.52 | 5.44 |
| CASH AND CASH EQUIVALENTS - Closing Balance | 5.68 | 26.52 |

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

| | | |
|------------------------------|-------------|--------------|
| - Cash in Hand | 2.05 | 0.97 |
| - Balance in Current Account | 3.63 | 25.55 |
| Total | 5.68 | 26.52 |

1) Restated 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.

Note: The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

ANNEXURE IV
RESTATEd IND AS CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid

At 1 April 2016

Changes in equity share capital during the year

At 31 March 2017

Changes in equity share capital during the year

At 31 March 2018

| | Nos. in million | INR million |
|---|-----------------|-------------|
| At 1 April 2016 | 0.19 | 1.95 |
| Changes in equity share capital during the year | 12.86 | 128.55 |
| At 31 March 2017 | 13.05 | 130.50 |
| Changes in equity share capital during the year | 0.39 | 3.93 |
| At 31 March 2018 | 13.44 | 134.43 |

B. Other Equity

FOR THE YEAR ENDED MARCH 31, 2018

(Rs in million)

| | Reserve and Surplus | | | 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 |
|--|---------------------|-------------------|------------------|---|--|--|--|--------------------|
| | Securities Premium | Retained Earnings | ESOP Outstanding | Other items of other comprehensive income | | | | |
| Balance as at April 1, 2016 | 7.75 | 54.66 | - | - | - | 62.41 | - | 62.41 |
| Non Controlling Interest at the time of acquisition | - | - | - | - | - | - | 4.72 | 4.72 |
| Profit for the Year | - | (0.72) | - | - | - | (0.72) | (0.88) | (1.60) |
| Remeasurement of the net defined benefit liability/asset | - | - | - | 0.21 | - | 0.21 | 0.01 | 0.22 |
| Total | 7.75 | 53.94 | - | 0.21 | - | 61.89 | 3.85 | 65.75 |
| Bonus Issue | (7.75) | (54.56) | - | - | - | (62.31) | - | (62.31) |
| Transfer of profits of the year to General reserve | - | - | - | - | - | - | - | - |
| Movement in Non Controlling Interest due to change in Shareholding | - | - | - | - | - | - | - | - |
| Total | - | (0.62) | - | 0.21 | - | (0.41) | 3.85 | 3.44 |
| Addition in Share Options during the year | - | - | 0.04 | - | - | 0.04 | - | 0.04 |
| Less : Utilisation during the year | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2017 | - | (0.62) | 0.04 | 0.21 | - | (0.37) | 3.85 | 3.48 |
| Balance as at April 1, 2017 | - | (0.62) | 0.04 | 0.21 | - | (0.37) | 3.85 | 3.48 |
| Profit for the Year | - | 462.53 | - | - | - | 462.53 | (1.71) | 460.82 |
| Remeasurement of the net defined benefit liability/asset | - | - | - | (1.12) | - | (1.12) | (0.00) | (1.12) |
| Total | - | 461.91 | 0.04 | (0.91) | - | 461.04 | 2.14 | 463.18 |
| Issue of shares on premium | 251.97 | - | - | - | - | 251.97 | - | 251.97 |
| Transfer of profits of the year to General reserve | - | - | - | - | - | - | - | - |
| Movement in Non Controlling Interest due to change in Shareholding | - | - | - | - | (63.82) | (63.82) | (4.16) | (67.98) |
| Total | 251.97 | 461.91 | 0.04 | (0.91) | (63.82) | 649.19 | (2.02) | 647.17 |
| Addition in Share Options during the year | - | - | 0.17 | - | - | 0.17 | - | 0.17 |
| Less : Utilisation during the year | - | - | (0.14) | - | - | (0.14) | - | (0.14) |
| Balance as at March 31, 2018 | 251.97 | 461.91 | 0.07 | (0.91) | (63.82) | 649.22 | (2.02) | 647.20 |

(Rs. 0.00 million indicates amount are lower than Rs. 0.01 million)

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****1 CORPORATE INFORMATION**

Anand Rathi Wealth Services Limited (Formerly known as A R Venture Funds Management Limited) (the "Holding Company") having CIN U67120MH1995PLC086696 was incorporated on March 22, 1995. On March 8, 2017, the Company was converted from Private Company to Public Company. Its registered office is at 4th Floor Silver Metropolis, Jai Coach Compound Opposite Bimbisar Nagar, Goregaon (East) Mumbai, 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) Basis of Preparation****(i) Statement of Compliance**

The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2018 and March 31, 2017, Restated Ind AS Consolidated Summary Statement of profit and loss including Other Comprehensive Income, Restated Ind AS Consolidated Summary Statement of changes in equity and

Restated Ind AS Consolidated Summary Statement of cash flows for the years ended March 31, 2018 and March 31, 2017 (hereinafter collectively referred to as "Restated Ind AS Consolidated Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"), to the extent applicable.

In accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standard", the Group has presented a reconciliation from the presentation of Restated Consolidated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP" or "Indian GAAP") to Ind AS of Restated Consolidated Shareholders' equity as at March 31, 2017 and 1 April, 2016 and of the Restated Ind AS Consolidated Summary Statement of Other Comprehensive Income for the year ended March 31, 2017.

The Company has acquired first subsidiary during the financial year 2016 – 17, therefore until then the preparation of consolidated financial statements was not applicable to the Company. The consolidated financial statements have been prepared and presented for the financial year 2016-17 and onwards.

The Restated Ind AS Consolidated Financial Information have been prepared by management in connection with the proposed listing of equity shares of the Company, and for inclusion in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as the "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India (the "SEBI"), Registrar of Companies, Maharashtra, situated in Mumbai and the concerned stock exchanges in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") as amended;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "SEBI ICDR Regulations") along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

This Restated Ind AS Consolidated Financial Information were authorised for issue by the Company's Board of Directors on September 1, 2018.

(ii) The Restated Ind AS Consolidated Financial Information have been compiled from:

(a) The Audited Consolidated financial statements of the Group for the year ended March 31, 2018 which includes the comparative Ind AS consolidated financial statements for the year ended March 31, 2017 prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on July 10, 2018;

(b) The consolidated financial statements for the year ended March 31, 2018 have been prepared in accordance with Ind AS. The Company is covered under Phase II of Ind AS applicability, since the company is in the process of listing. Accordingly, the Company is required to prepare financial statements on the basis of Ind AS from the financial year beginning on April 1, 2017 with comparative for the year ended March 31, 2017. These consolidated financial statements for the year ended March 31, 2018 are the Group's first Ind AS financial statements.

(iii) Basis of Measurement for Restated Financial Information

These Restated Consolidated Financial Information 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 Restated Consolidated Financial Information are consistent with those followed in the previous year by the Company.

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(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(iv) Functional and Presentation Currency**

The Restated Consolidated Financial Information 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.

(v) 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.

(B) Principles of Consolidation

The Restated Consolidated Financial Information 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 Information 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.

(C) Critical Accounting Judgements and key Sources of Estimation Uncertainty

The preparation of the Group's Restated Financial Information 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 has acquired Private Wealth Management business from Religare Wealth Management Limited, for which the Company has made payment which have been capitalised as Customer Relationship Cost. 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 Investment from available market price. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

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

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(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 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.

(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.

| <u>Fixed Assets</u> | <u>Useful Life</u> |
|------------------------|--------------------|
| Office Equipments | 5 years |
| Computer Equipments | 3 years |
| Motor Car | 8 years |
| Furniture and Fixtures | 10 years |

(ii) **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.

Software for financial service is amortized over a period of 5 Years.

Trade mark is amortized over a period of 10 Years.

Internally generated Intangible Assets: (Research and Development expenditure)

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

(iii) **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.

(F) Financial Instruments

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

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

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

(i) Classification & Measurement of Financial Assets

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

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ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

(ii) Impairment of financial assets

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

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

(iii) Derecognition of financial assets

A financial asset is derecognised only when :

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

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

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

(iv) Financial Liabilities:

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

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

(v) Derecognition of financial liabilities

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

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES***(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.

(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 the Group's cash management.

(J) Borrowing Cost and Finance Charges

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

(K) Leases

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.

(L) Goodwill

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

(M) 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 Bargain Purchase.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(N) 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.

(O) Revenue Recognition

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

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.

(P) Taxes on Income

(i) **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.

(ii) **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.

(Q) 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 information.

Contingent Assets are neither recognized nor disclosed.

(R) 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.

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(S) 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.

(T) Cash Flow Statement

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

(U) Share Based payment Arrangements

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

(V) Rounding of amounts

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

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

3 RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

(Rs in million)

| Description | Computer equipment | Vehicles | Office equipments | Furniture & Fixtures | Total |
|---|--------------------|----------|-------------------|----------------------|-------|
| Gross Block as at April 1, 2017 | 5.03 | 7.22 | 2.70 | 5.70 | 20.64 |
| Additions | 14.89 | 9.64 | 1.40 | 10.49 | 36.42 |
| Disposals | 0.06 | 1.29 | - | - | 1.35 |
| Gross Block as at March 31, 2018 | 19.86 | 15.57 | 4.10 | 16.19 | 55.71 |
| Accumulated depreciation as at April 1, 2017 | 0.48 | 0.44 | 0.30 | 0.44 | 1.66 |
| Depreciation for the year | 3.22 | 1.43 | 0.58 | 0.83 | 6.05 |
| Disposals | 0.01 | - | - | - | 0.01 |
| Accumulated depreciation as at March 31, 2018 | 3.69 | 1.87 | 0.87 | 1.27 | 7.70 |
| Net carrying amount as at March 31, 2018 | 16.17 | 13.70 | 3.23 | 14.92 | 48.01 |

| Description | Computer equipment | Vehicles | Office equipments | Furniture & Fixtures | Total |
|---|--------------------|----------|-------------------|----------------------|-------|
| Gross Block as at April 1, 2016 | - | - | - | - | - |
| Additions | 5.07 | 7.22 | 2.77 | 5.93 | 20.98 |
| Disposals | 0.04 | - | 0.07 | 0.23 | 0.34 |
| Gross Block as at March 31, 2017 | 5.03 | 7.22 | 2.70 | 5.70 | 20.64 |
| Accumulated depreciation as at April 1, 2016 | - | - | - | - | - |
| Depreciation for the year | 0.48 | 0.44 | 0.30 | 0.44 | 1.66 |
| Disposals | - | - | - | - | - |
| Accumulated depreciation as at March 31, 2017 | 0.48 | 0.44 | 0.30 | 0.44 | 1.66 |
| Net carrying amount as at March 31, 2017 | 4.55 | 6.78 | 2.40 | 5.26 | 18.98 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

4 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER INTANGIBLE ASSETS

(Rs in million)

| Description | Software | Trademark | Customer Relationship * | Total |
|---|----------|-----------|-------------------------|--------|
| Gross Block as at April 1, 2017 | 35.65 | 0.19 | 62.95 | 98.79 |
| Additions | 66.43 | - | 22.69 | 89.12 |
| Disposals | - | - | - | - |
| Gross Block as at March 31, 2018 | 102.08 | 0.19 | 85.64 | 187.91 |
| Accumulated depreciation as at April 1, 2017 | 8.67 | 0.01 | - | 8.69 |
| Depreciation for the year | 14.15 | 0.02 | 31.59 | 45.75 |
| Disposals | - | - | - | - |
| Accumulated depreciation as at March 31, 2018 | 22.82 | 0.03 | 31.59 | 54.44 |
| Net carrying amount as at March 31, 2018 | 79.26 | 0.16 | 54.05 | 133.47 |

| Description | Software | Trademark | Customer Relationship * | Total |
|---|----------|-----------|-------------------------|-------|
| Gross Block as at April 1, 2016 | - | - | - | - |
| Additions | 36.66 | 0.19 | 62.95 | 99.80 |
| Disposals | 1.01 | - | - | 1.01 |
| Gross Block as at March 31, 2017 | 35.65 | 0.19 | 62.95 | 98.79 |
| Accumulated depreciation as at April 1, 2016 | - | - | - | - |
| Depreciation for the year | 8.67 | 0.01 | - | 8.69 |
| Disposals | - | - | - | - |
| Accumulated depreciation as at March 31, 2017 | 8.67 | 0.01 | - | 8.69 |
| Net carrying amount as at March 31, 2017 | 26.98 | 0.18 | 62.95 | 90.10 |

* During the year 2016-17 the Company has acquired Private Wealth Management business from Religare Wealth Management Limited, for which portion of payment made by the Company has been capitalised as Customer Relationship Cost.

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

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

RESTATED CONSOLIDATED SUMMARY STATEMENT OF INTANGIBLE ASSETS UNDER DEVELOPMENT (Rs in million)

| Description | Software Development |
|---|----------------------|
| Cost as at April 1, 2017 | 202.83 |
| Additions | 123.28 |
| Capitalised during the year | 91.51 |
| Cost as at March 31, 2018 | 234.60 |
| Accumulated depreciation as at April 1, 2017 | - |
| Depreciation for the year | - |
| Disposals | - |
| Accumulated depreciation as at March 31, 2018 | - |
| Net carrying amount as at March 31, 2018 | 234.60 |

| Description | Software Development |
|---|----------------------|
| Cost as at April 1, 2016 | - |
| Additions | 202.83 |
| Capitalised during the year | - |
| Cost as at March 31, 2017 | 202.83 |
| Accumulated depreciation as at April 1, 2016 | - |
| Depreciation for the year | - |
| Disposals | - |
| Accumulated depreciation as at March 31, 2017 | - |
| Net carrying amount as at March 31, 2017 | 202.83 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

5 RESTATED CONSOLIDATED SUMMARY STATEMENT OF INVESTMENTS

(Rs in million)

| | AS AT MARCH | AS AT MARCH | AS AT MARCH | AS AT MARCH |
|--|--------------|--------------|-------------|-------------|
| | 31, 2018 | 31, 2017 | 31, 2018 | 31, 2017 |
| | Qty. in Nos. | Qty. in Nos. | Amount | Amount |
| (i) Investments - Non current | | | | |
| Investment Equity Shares of in Other Entities at Cost | | | | |
| Bombay Stock Exchange Ltd | - | - | - | - |
| Aggregate amount of Quoted Investment and market value thereof | | | - | - |
| Aggregate amount of Un-quoted Investment | | | - | - |
| Aggregate provision made for unquoted Investment | | | - | - |

(Rs in million)

| | AS AT MARCH | AS AT MARCH | AS AT MARCH | AS AT MARCH |
|---|--------------|--------------|---------------|-------------|
| | 31, 2018 | 31, 2017 | 31, 2018 | 31, 2017 |
| | Qty. in Nos. | Qty. in Nos. | Amount | Amount |
| (ii) Investments - Current | | | | |
| Quoted - Fully Paid up | | | | |
| Investment in Mutual Fund at Fair Value through Profit and Loss | | | | |
| HDFC Cash Management Fund | 55,640.81 | - | 200.28 | - |
| Reliance Liquid Fund | 47,450.01 | - | 200.35 | - |
| SBI Premier Liquid Fund | 36,893.10 | - | 100.19 | - |
| | | | 500.82 | - |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

| 6 RESTATED CONSOLIDATED SUMMARY STATEMENT OF LOANS | | (Rs in million) | |
|---|---------------------|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| (i) | Loans - Non current | | |
| | Security Deposits | 23.88 | 10.95 |
| | | 23.88 | 10.95 |

| | | (Rs in million) | |
|------|--|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| (ii) | Loans - Current | | |
| | Intercorporate Deposit To Related Party (Secured, Considered Good) | | |
| | Anand Rathi Global Finance Ltd | 150.00 | - |
| | | 150.00 | - |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| 7 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER FINANCIAL ASSETS | | (Rs in million) | |
|--|--------------------------------------|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| (i) | Other Financial Assets - Non current | | |
| | Fixed Deposit with Bank | 2.50 | - |
| | | 2.50 | - |

| | | (Rs in million) | |
|------|---|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| (ii) | Other Financial Assets - Current | | |
| | Margin on Options | 163.08 | 5.02 |
| | Option Premium (net) | - | 83.95 |
| | Securities Held as Stock in trade | | |
| | Un-Quoted - Fully Paid up | | |
| | Debentures at Fair Value through Profit and Loss - of Anand Rathi Global Finance Limited | 58.85 | - |
| | | 221.93 | 88.97 |
| | Aggregate amount of Quoted Investment and market value thereof | - | - |
| | Aggregate amount of Un-quoted Investment | 58.85 | - |
| | Aggregate provision made for unquoted Investment | - | - |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| 8 RESTATED CONSOLIDATED SUMMARY STATEMENT OF INCOME TAX ASSETS (NET) | | (Rs in million) | |
|---|--|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| | Advance Tax (Net of Provision for Tax) | 94.40 | 22.67 |
| | | 94.40 | 22.67 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

| | (Rs in million) | |
|---|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 9 RESTATED CONSOLIDATED SUMMARY STATEMENT OF DEFERRED TAX ASSETS / (LIABILITIES) | | |
| Depreciation | 0.68 | 0.24 |
| Long Term Capital Loss | 0.88 | 0.86 |
| Business Loss | 0.91 | 2.82 |
| Leave Provision | 3.91 | - |
| Gratuity Provision | 0.23 | - |
| Fair Valuation of Financial Instruments | (82.84) | - |
| | (76.23) | 3.92 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| | (Rs in million) | |
|--|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 10 RESTATED CONSOLIDATED SUMMARY STATEMENT OF TRADE RECEIVABLES | | |
| (Unsecured, Considered good) | | |
| Trade Receivables | | |
| Outstanding for the period more than six months | 1.15 | - |
| Others | 121.60 | 74.60 |
| | 122.74 | 74.60 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| | (Rs in million) | |
|--|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 11 RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS | | |
| Balances with Banks | | |
| - in Current Accounts | 3.63 | 25.55 |
| Cash in Hand | 2.05 | 0.97 |
| | 5.68 | 26.52 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| | (Rs in million) | |
|--|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 12 RESTATED CONSOLIDATED SUMMARY STATEMENT OF BANK BALANCES OTHER THAN AS PER NOTE 11 | | |
| In Deposit Accounts with Original Maturity of more than 3 Months & less than 12 months | 0.39 | 0.37 |
| | 0.39 | 0.37 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

| 13 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT ASSETS | (Rs in million) | |
|--|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| (Unsecured, Considered good) | | |
| MAT Credit Entitlements | 23.76 | 1.66 |
| Accrued Interest | 0.08 | - |
| Staff Advances | 41.21 | 0.39 |
| Prepaid Expenses | 6.24 | 3.43 |
| Cenvat Claim / GST Credit | 7.08 | 2.92 |
| Advance to Others | 6.47 | 1.07 |
| Others | 2.60 | - |
| | 87.44 | 9.47 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| 14 RESTATED CONSOLIDATED SUMMARY STATEMENT OF EQUITY SHARE CAPITAL | (Rs in million) | |
|--|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| Authorised | | |
| 2,00,00,000 (FY 17 - 1,50,00,000, FY 16 - 2,60,000) Equity Shares of Rs.10/-each | 200.00 | 150.00 |
| | 200.00 | 150.00 |
| Issued, Subscribed And Paid Up | | |
| 1,34,43,040 (FY 17 - 1,30,50,000, FY 16 - 1,94,702) Equity Shares of Rs.10/-each Fully Paid Up | 134.43 | 130.50 |
| | 134.43 | 130.50 |

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

| Equity Shares | 2017-18 | | 2016-17 | |
|--|-------------------|-----------------|-------------------|-----------------|
| | No. of Shares | (Rs in million) | No. of Shares | (Rs in million) |
| Shares outstanding at the beginning of the year | 13,050,000 | 130.50 | 194,702 | 1.95 |
| Shares Issued during the year by capitalising of reserve | - | - | 6,230,464 | 62.30 |
| Shares Issued during the year for consideration | 393,040 | 3.93 | 6,624,834 | 66.25 |
| Shares outstanding at the end of the year | 13,443,040 | 134.43 | 13,050,000 | 130.50 |

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

The Company has only one class of shares referred to as Equity Shares having a face value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The 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, 2018 | | AS AT MARCH 31, 2017 | |
|---|----------------------|---------------|----------------------|---------------|
| | No. of shares held | % of Holdings | No. of shares held | % of Holdings |
| Anand Rathi Financial Services Limited (Holding Company upto 25.10.2016) | 6,054,587 | 45.04 | 6,100,166 | 46.74 |
| Anand Rathi | 2,134,131 | 15.88 | 2,537,880 | 19.45 |
| Pradeep Kumar Gupta | 755,254 | 5.62 | 755,254 | 5.79 |

(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 | - | - |

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

(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 schedule V - 33

- (vi) 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.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| 15 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER EQUITY | (Rs in million) | |
|---|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| (a) Securities Premium | | |
| Opening balance | - | 7.75 |
| Less: Utilised for Bonus Issue | - | (7.75) |
| Add: Addition During the Year | 251.97 | - |
| Balance as at year end | 251.97 | - |
| (b) Share Options Outstanding Account | | |
| Opening Balance | 0.04 | - |
| Addition during the year | 0.17 | 0.04 |
| Less : Transferred to Securities Premium | (0.14) | - |
| Balance as at year end | 0.07 | 0.04 |
| (c) Retained Earnings | | |
| Opening Balance | (0.62) | 54.66 |
| Less: Utilised for Bonus Issue | - | (54.56) |
| Add: Profit During the Year | 462.53 | (0.72) |
| Balance as at year end | 461.91 | (0.62) |
| (d) Other Comprehensive Income | | |
| Opening Balance | 0.21 | - |
| Remeasurement of defined employee benefit plan | (1.12) | 0.21 |
| Balance as at year end | (0.91) | 0.21 |
| (e) Movement in Non Controlling Interest due to change in Shareholding | | |
| Opening balance | - | - |
| Add: Changes during the year | (63.82) | - |
| Balance as at year end | (63.82) | - |
| TOTAL OTHER EQUITY | 649.23 | (0.36) |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

| | | (Rs in million) | |
|-----------|--|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 16 | RESTATED CONSOLIDATED SUMMARY STATEMENT OF NON CONTROLLING INTEREST | | |
| | Opening Balance | 3.85 | - |
| | Add: At the time of acquisition | - | 4.72 |
| | Add: Share in Profit for the year | (1.71) | (0.88) |
| | Add: Share in Other Comprehensive Income | (0.00) | 0.01 |
| | Add: Change in Non Controlling Interest | (4.16) | - |
| | | (2.02) | 3.85 |

(Rs. 0.00 million indicates amount are lower than Rs. 0.01 million)

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to

| | | (Rs in million) | |
|-----------|--|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 17 | RESTATED CONSOLIDATED SUMMARY STATEMENT OF BORROWINGS | | |
| (i) | Borrowings - Non current | | |
| | Secured Loan from Banks | 4.97 | 1.35 |
| | (Secured against hypothecation of vehicle purchased) | | |
| | | 4.97 | 1.35 |

Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March, 02 2020 to January, 05 2023

The rate of interest ranges between 8% to 11% p.a.

(The Company has not defaulted in repayment of principal & interest during the year)

| | | | |
|------|--|-------------|---------------|
| (ii) | Borrowings - Current | | |
| | Intercompany Deposits from Related Party (Unsecured) | | |
| | Anand Rathi Financial Services Limited * | - | 245.00 |
| | Others | - | 6.16 |
| | Current Maturity of Secured Loan from Banks | 1.88 | 0.57 |
| | | 1.88 | 251.73 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| | | (Rs in million) | |
|-----------|--|-------------------------|-------------------------|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 18 | RESTATED CONSOLIDATED SUMMARY STATEMENT OF TRADE PAYABLES | | |
| | Total outstanding dues to other than micro, small and medium enterprises * | | |
| | Accrued Salaries and Benefits | 49.07 | 30.78 |
| | Others | 4.77 | 9.88 |
| | | 53.84 | 40.66 |

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

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

| | (Rs in million) | |
|--|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 19 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER FINANCIAL LIABILITIES | | |
| Other Financial Liabilities - Current | | |
| Option Premium | 374.31 | - |
| Provision for Expenses | 14.46 | 13.51 |
| | 388.77 | 13.51 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| | (Rs in million) | |
|---|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 20 RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROVISIONS | | |
| (i) Provisions - Non Current | | |
| Employee Benefit Liabilities - Non Current | | |
| Gratuity Provision | 0.89 | 3.38 |
| | 0.89 | 3.38 |
| (ii) Provisions - Current | | |
| Employee Benefit Liabilities | | |
| Gratuity Provision | 9.86 | - |
| Leave Provision | 14.71 | - |
| Incentive Provision | 229.04 | 75.50 |
| Provision for Income Tax | | |
| Provision for Income Tax (Net of Advance Tax) | 1.55 | - |
| | 255.16 | 75.50 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| | (Rs in million) | |
|--|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| 21 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES | | |
| Statutory Dues | 53.63 | 28.97 |
| Advance from Customer | 12.91 | 4.35 |
| | 66.54 | 33.32 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANAND RATHI WEALTH SERVICES LIMITED

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****(Rs in million)**

| 22 RESTATED CONSOLIDATED SUMMARY STATEMENT OF REVENUE FROM OPERATION | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
|---|--|--|
| Mutual Fund Distribution Income | 889.05 | 234.88 |
| Advisory Fees | 41.62 | 0.29 |
| Income from Distribution & Sale of Financial Product | 646.94 | 142.69 |
| Gain on Derivative Transaction | 588.63 | 1.30 |
| IT Enabled Services | 17.18 | 3.38 |
| Business support - fees | 26.90 | 27.60 |
| | 2,210.32 | 410.14 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

(Rs in million)

| 23 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER INCOME | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
|---|--|--|
| Interest Income | 1.30 | 0.31 |
| Gain on sale of Investment | 3.38 | 14.17 |
| Dividend Received | - | 0.57 |
| Gain on Sale of Fixed Assets | 0.50 | - |
| Misc and Other Income | 21.70 | 0.28 |
| | 26.88 | 15.33 |

(Interest Income, Gain on sale of Investment for FY 2017-18 and Misc and Other Income are recurring in nature and Dividend Received, Gain on sale of Investment for FY 2016-17 and Gain on sale of Fixed Assets is non-recurring in nature)

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

(Rs in million)

| 24 RESTATED CONSOLIDATED SUMMARY STATEMENT OF EMPLOYEE BENEFIT EXPENSES | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
|--|--|--|
| Salaries, Incentive & Allowances | 986.83 | 330.93 |
| Contribution to Provident and Other Funds | 49.21 | 17.48 |
| Share based Payments to Employees (Refer Note. 33) | 0.17 | 0.04 |
| Staff Welfare Expenses | 6.08 | 2.10 |
| | 1,042.29 | 350.55 |

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION**

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.

| Particulars | (Rs in million) | |
|---|---|---|
| | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
| 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 | 34.29 | 18.44 |
| Fair value of plan assets | 23.54 | 21.79 |
| Net Liability/(Asset) | 10.75 | (3.35) |
| 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 | 3.25 | 17.26 |
| Interest on Defined Benefit Obligations | 1.25 | 0.20 |
| Expected return on plan assets | (1.58) | - |
| Past Service Cost – Vested Benefit recognised during the period | 10.37 | - |
| Net Gratuity Cost | 13.29 | 17.46 |
| Amount recognized in Other Comprehensive Income (OCI) | | |
| Amount recognized in OCI in beginning of the period | (0.31) | - |
| Remeasurement due to: | | |
| <i>Effect of Change in financial assumptions</i> | (1.66) | - |
| <i>Effect of Change in demographic assumptions</i> | - | - |
| <i>Effect of experience adjustments</i> | 2.95 | (0.01) |
| Actuarial (Gains)/Losses | 1.29 | (0.01) |
| Return on plan assets (excluding interest) | 0.17 | 0.30 |
| Total remeasurements recognized in OCI | 1.12 | (0.31) |
| Amount recognized in OCI, End of Period | 0.81 | (0.31) |
| Actual Return on Plan Assets : | | |
| Expected Return on Plan Assets | 1.58 | - |
| Actuarial gain/(loss) on Plan Assets | (0.13) | 0.30 |
| Actual Return on Plan Assets | 1.45 | 0.30 |

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****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 | 18.44 | 2.77 |
| Current Service Cost | 3.25 | 17.26 |
| Interest Cost | 1.25 | 0.20 |
| Actuarial (Gain)/loss | 1.29 | (0.01) |
| Benefits Paid / Reversals | (0.31) | (0.09) |
| Acquisition/Business Combination/Divestiture | - | (1.70) |
| Past Service Cost | 10.37 | - |
| Closing Defined Benefit Obligation | 34.29 | 18.44 |

Change in fair value plan assets:

| | | |
|--|--------------|--------------|
| Opening Fair Value of the plan assets | 21.79 | - |
| Expected return on plan assets | 1.58 | - |
| Actuarial (Gain)/loss | (0.17) | (0.30) |
| Contributions by the Employer | - | 21.49 |
| Benefits Paid | - | - |
| Closing Fair value of the plan assets | 23.54 | 21.79 |

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 | 34.29 | 18.44 |
| Plan Assets | 23.54 | 21.79 |
| Surplus/(deficit) | 10.75 | (3.35) |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | 1.29 | (0.01) |
| Actuarial (Gains)/Losses on Plan Assets - Due to Experience | (0.17) | (0.30) |

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 31March,2018 the estimated term of liabilities is 12.43 years, corresponding to which YTM on government bonds is 7.70%, after rounding to nearest 0.05%.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****Expected rate of return on assets:**

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

Salary Escalation Rate:

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

Withdrawal Rate:

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

Mortality Rate

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

General Description fair value of the plan:

The company has insurer Managed Fund.

Principal Actuarial Assumptions:

| | | |
|------------------------|----------|--|
| Discount rate | 7.70% | *7.25% and 7.30% |
| Salary Escalation Rate | 5.00% | 5.00% |
| Attrition Rate | | |
| | | For Service 4 yrs & below 20% p.a. & service 4 yrs and above 2% p.a |
| | | For Service 4 yrs & below 20% p.a. & service 4 yrs and above 2% p.a |
| Retirement Age | 60 years | 60 years |

* For one group company Freedom Wealth Solutions Private Limited discount rate in 7.30%

Sensitivity Analysis

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

| | | |
|--|--------|--------|
| Defined Benefit Obligation (Base) | 34.29 | 18.44 |
| Discount Rate | | |
| Increase by 50 bps | 32.54 | 17.46 |
| Impact of increase by 50 bps in Percentage | -5.11% | -5.29% |
| Decrease by 50 bps | 36.20 | 19.50 |
| Impact of decrease by 50 bps in Percentage | 5.56% | 5.78% |

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****Salary Growth Rate**

| | | |
|--|--------|--------|
| Increase by 50 bps | 34.88 | 18.60 |
| Impact of increase by 50 bps in Percentage | 1.74% | 0.91% |
| Decrease by 50 bps | 33.60 | 18.23 |
| Impact of decrease by 50 bps in Percentage | -2.02% | -1.13% |

| | | |
|---|------|------|
| Expected contribution of holding company for the next financial year | 3.29 | 1.66 |
|---|------|------|

| | | |
|---|------|------|
| Weighted Average duration of Holding Company | 1.24 | 1.27 |
|---|------|------|

Maturity profile of defined benefit obligation

| | | |
|------------------------|-------|------|
| Within next 12 months | 3.34 | 1.67 |
| Between 1 and 5 Years | 8.92 | 4.82 |
| Between 5 and 10 Years | 10.71 | 5.64 |

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 24 "Employee Benefit Expenses" of Statement of Profit and Loss towards Group's Contribution to Provident Fund is Rs 40.31 million (FY 2016-17 Rs 15.39 million).

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION**

| (Rs in million) | | |
|---|---|---|
| 25 RESTATED CONSOLIDATED SUMMARY STATEMENT OF FINANCE COSTS | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
| Interest Paid | 87.32 | 1.18 |
| | 87.32 | 1.18 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| (Rs in million) | | |
|--|---|---|
| 26 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OTHER EXPENSES | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
| Business Support Charges | 83.01 | 3.07 |
| Manpower Outsource Expenses | 25.47 | - |
| Legal & Professional Charges | 8.53 | 3.51 |
| Director Sitting Fees | 0.02 | - |
| Electricity Expenses | 4.61 | 1.66 |
| Communication Expenses | 8.21 | 2.16 |
| Printing and Stationery | 6.08 | 2.05 |
| Postage and Telegram | 1.43 | 0.59 |
| Rent, Rates and Taxes | 46.07 | 9.71 |
| Repairs and Maintenance | 5.27 | 1.99 |
| Recruitment & Training | 2.63 | 0.96 |
| Business Promotion and Marketing Expenses | 75.44 | 17.42 |
| Computer & Software Main. Charges | 5.75 | 3.40 |
| Client Claim | 6.74 | 0.24 |
| Travelling & Conveyance Expenses | 41.79 | 14.29 |
| Foreign Travelling Expenses | - | - |
| Capital Issue Expenses | - | 1.47 |
| Auditors Remuneration | | |
| Audit Fees | 1.06 | 0.39 |
| Reimbursement | - | - |
| Others | 0.25 | 0.08 |
| Donation | 18.02 | 0.65 |
| Transaction Charges | 18.86 | 0.31 |
| Loss on discard of Fixed Assets | - | 1.33 |
| Miscellaneous & General Expenses | 23.53 | 3.54 |
| | 382.77 | 68.82 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION**

| | | (Rs in million) | |
|---|---|---|--|
| 27 RESTATED CONSOLIDATED SUMMARY STATEMENT OF INCOME TAX EXPENSE | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | |
| (i) Current Tax | | | |
| Current tax on profit for the year | 154.21 | 1.32 | |
| MAT Credit Availed/(Entitlement) | (22.17) | (1.22) | |
| Total Current tax expenses | 132.04 | 0.10 | |
| (ii) Deferred Tax | | | |
| Decrease / (Increase) in deferred tax assets | (2.77) | (3.92) | |
| (Decrease) / Increase in deferred tax liabilities | 82.93 | - | |
| Total deferred tax expenses / benefit | 80.16 | (3.92) | |
| Total Income Tax Expenses charged to Profit & Loss Account | 212.20 | (3.82) | |
| Deferred tax relating to items recognised in OCI during the year | | | |
| Net (gain)/loss on remeasurement of defined benefit plans | - | 0.09 | |
| | - | 0.09 | |
| Effective Tax Rate Reconciliation | | | |
| Particulars | March 31, 2018 | March 31, 2017 | |
| Applicable Tax Rate | 28.84 | 30.90 | |
| Profit before tax | 673.03 | (5.42) | |
| Tax Expenses as per above rate | 194.10 | (1.68) | |
| Expenses Disallowed | 11.07 | 0.56 | |
| Exempt Income | (82.41) | (0.17) | |
| Deductions u/s 80G & 35AC | (2.60) | (0.15) | |
| Carry Forward Business Losses / (Utilised) | 0.26 | 1.91 | |
| Income for which tax charged at Different rate | - | (4.37) | |
| Non-Taxable Subsidiaries and effect of Differential Tax Rate under various jurisdiction | 11.62 | 3.04 | |
| On Account of IndAS Adjustments | - | 1.14 | |
| Others | - | (0.18) | |
| | 132.04 | 0.10 | |
| Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Other Intangible Assets | (1.58) | (0.24) | |
| Deferred Tax creation/utilisation of carry forward losses | 2.81 | (3.68) | |
| Incremental Deferred Tax (Asset) / Liability on account of Financial Assets and Other Items | 78.93 | - | |
| Total Deferred Tax | 80.16 | (3.92) | |
| Total Tax Expenses Recognised | 212.20 | (3.82) | |
| Effective Tax Rate | 31.53 | 70.37 | |

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NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

For the current financial year tax is charged @ 28.84% (i.e. 25% Basic Tax, 12% Surcharge on Basis Tax and 3% Cess on Basic Tax and Surcharge. For last financial year applicable tax rate was 30.90% (i.e. 30% Basic Tax and 3% Cess on Basic Tax). It Imapcts group favourably and results in reduction of expenses on account of taxation.

During the current financial year, one of the subsidiary Ffreedom Intermediary Infrastructure Private Limited incurred loss of Rs. 9.18 million on which company has not recognised deferred tax asset considering the pobability of future taxable profit.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

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NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

28 RESTATED SUMMARY STATEMENT OF 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 31.03.2018 | As at 31.03.2017 |
| i) AR Wealth Management Private Limited (ARWMPL) | India | 66.80% | 63.49% |
| ii) Freedom Wealth Solutions Private Limited (FWSPL) | India | 95.00% | 60.32% |
| iii) Ffreedom Intermediary Infrastructure Private Limited (FINFRA) | India | 66.80% | 60.32% |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

29 RESTATED CONSOLIDATED SUMMARY STATEMENT OF OPERATING SEGMENTS

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

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

30 RESTATED SUMMARY STATEMENT OF 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 44.48 million (P.Y. Rs 8.77 million)

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

| Due | (Rs in million) | |
|--|------------------|------------------|
| | As at 31.03.2018 | As at 31.03.2017 |
| Not later than 1 year | 46.23 | 22.75 |
| Later than 1 year and not later than 5 years | 80.84 | 37.23 |
| Later than 5 years | - | - |
| Total | 127.07 | 59.98 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

31 RESTATED SUMMARY STATEMENT OF 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
Sriram Rajagopal Iyer, Director & CEO of Subsidiary
Bhishnupada Sahu, Director & CEO of Subsidiary
Amol Jayawant Bhabal, CFO (Upto 10-07-2018)
Dilip Balakrishnan, Company Secretary

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

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)

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

| Nature of Transaction/Relationship | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 |
|---|---|---|
| (i) Loan Given | | |
| Other Related Parties | 369.21 | 14.20 |
| (ii) Loan Repayment Received | | |
| Entity of which the Company is an Associate | - | 3.00 |
| Other Related Parties | - | 11.20 |
| (iii) Loan Taken | | |
| Entity of which the Company is an Associate | 15,802.21 | 1,991.19 |
| Other Related Parties | 5,443.36 | 41.80 |
| (iv) Loan Repaid | | |
| Entity of which the Company is an Associate | 16,045.06 | 1,746.19 |
| Other Related Parties | 5,443.36 | 41.70 |
| (v) Security Deposit Given | | |
| Other Related Parties | 3.50 | - |
| (vi) Security Deposit Repayment Received | | |
| Other Related Parties | 3.50 | - |
| (vii) Purchase of Debentures | | |
| Other Related Parties | 8,749.94 | 274.70 |
| (viii) Support Service Given | | |
| Other Related Parties | 23.74 | - |
| Entity of which the Company is an Associate | - | 83.95 |
| (ix) Support Service Taken | | |
| Entity of which the Company is an Associate | 45.89 | 14.35 |
| Other Related Parties | 88.67 | 0.66 |
| (x) Brokerage Paid | | |
| Other Related Parties | 1.92 | 0.04 |
| (xi) Interest Received | | |
| Entity of which the Company is an Associate | - | 0.13 |
| (xii) Interest Paid | | |
| Entity of which the Company is an Associate | 74.68 | 7.81 |
| Other Related Parties | 11.28 | - |
| (xiii) Sale of Shares | | |
| Other Related Parties | - | 56.56 |
| (xiv) Remuneration paid to KMP | | |
| Short Term Employee Benefits | 107.91 | 8.01 |
| Share Based Payments | 0.00 | - |
| 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.

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| | (Rs in million) | |
|---|-------------------------|-------------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| (c) Outstanding Balances | | |
| (i) Loan | | |
| Other Related Parties | 150.00 | - |
| (ii) Borrowings | | |
| Entity of which the Company is an Associate | - | 245.00 |
| (iii) Margin Balance | | |
| Other Related Parties | 163.08 | 5.02 |

(Rs. 0.00 million indicates amount are lower than Rs. 0.01 million)

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.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

| 32 RESTATED CONSOLIDATED SUMMARY STATEMENT OF ACCOUNTING RATIOS | 2017-18 | 2016-17 |
|--|----------------|----------------|
| (Before split of equity shares) | | |
| Restated Ind AS Consolidated Net Profit after tax | 462.53 | (0.72) |
| Restated Ind AS Consolidated Net Worth at the end of the year | 783.66 | 130.14 |
| Closing Number of equity shares | 13,443,040 | 13,050,000 |
| Face Value Per Share (in Rs) | 10 | 10 |
| Weighted Average number of equity shares | 13,362,922 | 9,687,004 |
| Diluted Weighted Average number of equity shares | 13,626,618 | 9,765,908 |
| Earnings Per Share (in Rs) | | |
| – Basic | 34.61 | (0.07) |
| – Diluted | 33.94 | (0.07) |
| Return on Net Worth % | 59.02% | -0.56% |
| Net Asset Value Per Share | 58.30 | 9.97 |
| RESTATED CONSOLIDATED SUMMARY STATEMENT OF ACCOUNTING RATIOS | 2017-18 | 2016-17 |
| (After Split of equity shares) | | |
| Restated Ind AS Consolidated Net Profit after tax | 462.53 | (0.72) |
| Restated Ind AS Consolidated Net Worth at the end of the year | 783.66 | 130.14 |
| Closing Number of equity shares | 26,886,080 | 26,100,000 |
| Face Value Per Share (in Rs) | 5 | 5 |
| Weighted Average number of equity shares | 26,725,844 | 19,374,008 |
| Diluted Weighted Average number of equity shares | 27,253,237 | 19,531,817 |
| Earnings Per Share (in Rs) | | |
| – Basic | 17.31 | (0.04) |
| – Diluted | 16.97 | (0.04) |
| Return on Net Worth % | 59.02% | -0.56% |
| Net Asset Value Per Share | 29.15 | 4.99 |

1.) The Ratios have been computed as follows:

| | |
|----------------------------------|---|
| a) Earning per share (Basic) = | $\frac{\text{Restated Ind AS Consolidated Net Profit after tax}}{\text{Weighted Average number of equity shares}}$ |
| b) Earning per share (Diluted) = | $\frac{\text{Restated Ind AS Consolidated Net Profit after tax}}{\text{Diluted Weighted Average number of equity shares}}$ |
| c) Return on Net Worth (%) = | $\frac{\text{Restated Ind AS Consolidated Net Profit after tax}}{\text{Restated Ind AS Consolidated Net Worth at the end of the year}}$ |
| d) Net Assets Value Per Share = | $\frac{\text{Restated Ind AS Consolidated Net Worth at the end of the year}}{\text{Closing Number of equity shares}}$ |

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2.) In accordance with the SEBI Regulations, net worth means "the aggregate value of the paid-up share capital, share premium account, reserves and surplus (excluding revaluation reserve) as reduced by the aggregate value of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account".

3.) Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period / year.

4.) The Group does not have any revaluation reserves or extra-ordinary items.

5.) Earnings per share calculations are in accordance with Ind AS 33 - "Earnings per share".

6.) The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

7.) 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.

8.) Ind AS 33 "Earnings per Share", requires an adjustment in the calculation of basic and diluted earning per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of share sub-division. The weighted average number of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the Ind AS consolidated financial information.

9.) The Company has Issued 62,30,464 Bonus shares in the ratio of 1:32 on August 08, 2016 by capitalising its reserves. Impact of the same has been considered while calculating EPS.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

33 RESTATED SUMMARY STATEMENT OF 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 one equity share 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, 2018 (Nos.) | FOR THE YEAR ENDED MARCH 31, 2017 (Nos.) |
|---|---|---|
| Outstanding at the beginning of the year | 320,000 | - |
| Add: Granted during the year | - | 320,000 |
| Less: Exercised and shares allotted during the year | 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 | 267,260 | 320,000 |
| Exercisable at the end of the year | 11,260 | - |

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****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 Period |
|---------------------------|------------------------|
| 52,740 | 1.1.2017 to 31.12.2017 |
| 11,260 | 1.1.2017 to 31.3.2018 |
| 64,000 | 1.1.2018 to 31.12.2018 |
| 96,000 | 1.1.2019 to 31.12.2019 |
| 96,000 | 1.1.2020 to 31.12.2020 |

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

| Particulars | (Rs in million) | |
|---|----------------------|----------------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 |
| Total Carrying Amount | 0.07 | 0.04 |
| Amount debited to Profit & Loss account | 0.17 | 0.04 |

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.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

34 RESTATED SUMMARY STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

35 RESTATED SUMMARY STATEMENT OF 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 million) | |
|--------------------------------------|-----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Equity | 134.43 | 130.50 |
| Other Equity | 649.23 | (0.36) |
| Total Equity (A) | 783.66 | 130.14 |
| Borrowings | 6.85 | 253.08 |
| Total Debt (B) | 6.85 | 253.08 |
| Total Debt and Equity (C=A+B) | 790.51 | 383.22 |
| Capital Gearing Ratio (B/C) | 0.01 | 0.66 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

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36 RESTATED SUMMARY STATEMENT OF CAPITALISATION

| | (Rs in million) | |
|--------------------------------------|-----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Debt | | |
| Borrowings | 6.85 | 253.08 |
| Total Debt (A) | 6.85 | 253.08 |
| Shareholder's Funds (Equity) | | |
| Equity | 134.43 | 130.50 |
| Other Equity | 649.23 | (0.36) |
| Total Shareholder's Funds (B) | 783.66 | 130.14 |
| Debt / Equity Ratio (A/B) | 0.01 | 1.94 |

1) The corresponding Post IPO Capitalisation data in the above table is not determinable at this stage pending the completion of book building process and hence the same has not been provided in the above statement.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

37 RESTATED SUMMARY STATEMENT OF BUSINESS COMBINATIONS

The holding company has acquired following equity shares at fair value. Purchase consideration for acquisition of shares in below mentioned entities is 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 was Rs. 25.20 million and in March 2018 was Rs. 69.03 million. The fair value per share for the aforesaid acquisitions was Rs. 10 and Rs. 256 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 was Rs. 23.72 million. The fair value per share for the aforesaid acquisitions was 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% |
| 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. 8.08 million. This acquisition was made by swapping the shares of ARWMPL.

At the time of acquisition of business investment made in equity shares of acquiree over and above net assets of acquiree company is treated as Goodwill. Details of Amount paid towards Goodwill at the time of Acquisition of Shares is as below :

| | ARWMPL | FWSPL | FIINFRA | Total | |
|---------------------------|-------------|-------|----------------|--------------|-------------|
| Consideration Paid | 25.20 | | 8.08 | 2.50 | 35.78 |
| Less: Net Assets Acquired | (24.95) | | (33.03) | 26.26 | (31.72) |
| Goodwill | 0.25 | | (24.95) | 28.76 | 4.06 |

Total Profit in Consolidated financial statement is Rs. 460.82 million which includes profit of subsidiaries also, i.e. Rs. 2.77 million of AR Wealth Management Private Limited, Rs. 4.86 million of Freedom Wealth Solutions Private Limited and Rs. (9.18) million of Freedom Intermediary Infrastructure Private Limited of FY 2017-18.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****38 Details of Specified Bank Notes (SBN) held and transacted during the period 08 Nov, 2016 to 30 Dec, 2016, [Refer Statutory requirement under notification no G.S.R 308 (E) of MCA dated 30th March, 2017].**

The above provisions are not applicable for the financial year 2017-18.

The details for the FY 2016-17 are as follows:

(Rs in million)

| Particulars | SBN's | Other Denomination | Total |
|--|----------|--------------------|----------|
| Closing cash in hand as on 08 Nov, 2016 | 0.38 | 0.00 | 0.39 |
| Add : Permitted receipts | 0.01 | - | 0.01 |
| Less: Permitted Payments | - | (0.00) | (0.00) |
| Less: Amount deposited in Banks | (0.39) | - | (0.39) |
| Closing cash in hand as on 30 Dec, 2016 | - | - | - |

(Rs. 0.00 million indicates amount less than Rs. 0.01 million)

39 RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF CONTINGENT LIABILITY

Contingent liability in respect of Income Tax Demand of one of the Freedom Wealth Solution Private Limited is as under:

(Rs in million)

| Particulars | March 31, 2018 | March 31, 2017 |
|----------------|----------------|----------------|
| For AY 2013-14 | 4.17 | 4.17 |
| For AY 2015-16 | 11.44 | - |
| Total | 15.60 | 4.17 |

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

41 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.

42a 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.

42b The Group does not have any pending capital commitments as on reporting date.

43 RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF DIVIDEND

The Group has not declared any dividends during the year ended 31.03.2018 and 31.03.2017

44 In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Group's financial statements. The amendment will come into force from April 01, 2018.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****45 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 million) | | | | | | |
|------------------------------|---|-----------------|---|---|---|---------------|
| March 31, 2018 | Note No. | Carrying Amount | Fair value | | | Total |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Financial assets | | | | | | |
| FVTPL | | | | | | |
| | (i) Investments in Mutual Fund | 500.81 | 500.81 | - | - | 500.81 |
| | (ii) Unquoted Debentures | 58.85 | - | 58.85 | - | 58.85 |
| Amortised Cost | | | | | | |
| | (i) Loans | 150.00 | - | - | - | - |
| | (ii) Security Deposit | 23.88 | - | - | - | - |
| | (iii) Trade receivables | 122.74 | - | - | - | - |
| | (iv) Cash and cash equivalents | 5.68 | - | - | - | - |
| | (v) Bank Balances other than above | 0.39 | - | - | - | - |
| | (vi) Margin on Options & Option Premium | 163.08 | - | - | - | - |
| | (vii) Other Financial Assets | 2.50 | - | - | - | - |
| | | 1,027.93 | 500.81 | 58.85 | - | 559.66 |
| Financial liabilities | | | | | | |
| FVTPL | | | | | | |
| | (i) Option Premium | 374.32 | - | 374.32 | - | 374.32 |
| Amortised Cost | | | | | | |
| | (i) Borrowings | 6.85 | - | - | - | - |
| | (ii) Trade payables | 53.84 | - | - | - | - |
| | (iii) Other Financial Liabilities | 14.46 | - | - | - | - |
| | | 449.47 | - | 374.32 | - | 374.32 |

| (Rs in million) | | | | | | |
|---|----------|-----------------|---|---|---|--------------|
| March 31, 2017 | Note No. | Carrying Amount | Fair value | | | Total |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Financial assets | | | | | | |
| FVTPL | | | | | | |
| (i) Option Premium | | 83.95 | - | 83.95 | - | 83.95 |
| Amortised Cost | | | | | | |
| (i) Loans | | - | - | - | - | - |
| (ii) Security Deposit | | 10.95 | - | - | - | - |
| (iii) Trade receivables | | 74.60 | - | - | - | - |
| (iv) Cash and cash equivalents | | 26.52 | - | - | - | - |
| (v) Bank Balances other than above | | 0.37 | - | - | - | - |
| (vi) Margin on Options & Option Premium | | 5.02 | - | - | - | - |
| | | 201.41 | - | 83.95 | - | 83.95 |
| Financial liabilities | | | | | | |
| Amortised Cost | | | | | | |
| (i) Borrowings | | 253.08 | - | - | - | - |
| (ii) Trade payables | | 40.66 | - | - | - | - |
| (iii) Other Financial Liabilities | | 13.51 | - | - | - | - |
| | | 307.25 | - | - | - | - |

| (Rs in million) | | | | | | |
|---|----------|-----------------|---|---|---|----------|
| April 1, 2016 | Note No. | Carrying Amount | Fair value | | | Total |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Financial assets | | | | | | |
| FVTPL | | | | | | |
| (i) Investments | | 42.42 | - | - | - | - |
| Amortised Cost | | | | | | |
| (i) Trade receivables | | 4.90 | - | - | - | - |
| (ii) Cash and cash equivalents | | 5.43 | - | - | - | - |
| | | 52.75 | - | - | - | - |
| Financial liabilities | | | | | | |
| Amortised Cost | | | | | | |
| (i) Trade payables | | 0.00 | - | - | - | - |
| (ii) Other Financial Liabilities | | 4.75 | - | - | - | - |
| | | 4.75 | - | - | - | - |
| <p>Note - The Group has an investment in equity shares of Rs. 42.42 million in BSE. Due to insufficient information available to measure the Fair value of these equity share, the cost is considered as an appropriate estimate of fair value, in accordance with para B5.2.3 to Ind AS 109 "Financial Instruments".</p> | | | | | | |

- (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.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****46 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

| March 31, 2018 | Carrying amount | Contractual cash flows (Rs in million) | | | | |
|-----------------------------|-----------------|---|-----------|--------------------|-------------|-----------|
| | | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 6.85 | 6.85 | - | 0.46 | 1.43 | 4.97 |
| Trade Payables | 53.84 | 53.84 | - | 53.84 | - | - |
| Other Financial Liabilities | 388.77 | 388.77 | 374.31 | 14.46 | - | - |

| March 31, 2017 | Carrying amount | Contractual cash flows (Rs in million) | | | | |
|-----------------------------|-----------------|---|-----------|--------------------|-------------|-----------|
| | | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 253.08 | 253.08 | 245.00 | 0.14 | 0.43 | 7.51 |
| Trade Payables | 40.66 | 40.66 | - | 40.66 | - | - |
| Other Financial Liabilities | 13.51 | 13.51 | - | 13.51 | - | - |

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:

| | March 31, 2018 | March 31, 2017 |
|----------------------------------|-------------------|-------------------|
| Loans | 150.00 | - |
| Security Deposit | 23.88 | 10.95 |
| Trade Receivables | 122.74 | 74.60 |
| Purchase of Debentures | 58.85 | - |
| Investment in Mutual Funds | 500.81 | - |
| Option Premium | - | 83.95 |
| Margin Balance with Broker | 163.08 | 5.02 |
| Fixed Deposits with Banks | 2.50 | - |
| Bank Balances in Current Account | 3.63 | 25.55 |
| Bank Balances other than above | 0.39 | 0.37 |

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, 2018 | March 31, 2017 |
|----------------------------------|-------------------|-------------------|
| 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.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

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ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****47 Additional Notes for Consolidated Financial Statement**

| Sr. No. | Name of the entity in the group | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
|---|--|---|------------------------|--|------------------------|---|------------------------|---|------------------------|
| | | As % of consolidated net assets | Amount (Rs in Lakh) | As % of consolidated profit/loss | Amount (Rs in Lakh) | As % of consolidated OCI | Amount (Rs in Lakh) | As % of consolidated TCI | Amount (Rs in Lakh) |
| (i) Parent | | 95.49% | 746.38 | 100.34% | 462.37 | 112.99% | (1.26) | 100.31% | 461.11 |
| (ii) Subsidiaries | | | | | | | | | |
| (a) | AR Wealth Management Private Limited | 3.75% | 29.28 | 0.36% | 1.68 | 43.54% | (0.49) | 0.26% | 1.19 |
| (b) | Freedom Wealth Solutions Private Limited | 5.56% | 43.44 | 1.00% | 4.62 | 0.00% | - | 1.00% | 4.62 |
| (c) | Ffreedom Intermediary Infrastructure Private Limited | -4.53% | (35.44) | -1.33% | (6.13) | -56.72% | 0.63 | -1.20% | (5.50) |
| (iii) Non Controlling Interest in Subsidiaries | | | | | | | | | |
| (a) | AR Wealth Management Private Limited | 1.86% | 14.55 | 0.24% | 1.09 | 28.38% | (0.32) | 0.17% | 0.78 |
| (b) | Freedom Wealth Solutions Private Limited | 0.29% | 2.29 | 0.05% | 0.24 | 0.00% | - | 0.05% | 0.24 |
| (c) | Ffreedom Intermediary Infrastructure Private Limited | -2.41% | (18.86) | -0.66% | (3.05) | -28.19% | 0.32 | -0.59% | (2.73) |
| Total | | 100% | 781.64 | 100.00% | 460.82 | 100.00% | (1.12) | 100.00% | 459.71 |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****48 RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT OF TAX SHELTER (Rs. In Millions)**

| Particulars | March 31, 2018 | March 31, 2017 |
|---|-----------------------|-----------------------|
| A. Restated Profit before tax | 673.02 | (5.42) |
| B. Statutory Tax Rate | 28.84 | 30.90 |
| C. Tax using the Company's statutory tax rate | 194.10 | (1.68) |
| Adjustments | | |
| <u>Tax impact of permanent differences due to:</u> | | |
| Expenses Disallowed | 11.07 | 0.56 |
| Exempt Income | (82.41) | (0.17) |
| Deductions u/s 80G & 35AC | (2.60) | (0.15) |
| Carry Forward Business Losses / (Utilised) | 0.26 | 1.91 |
| Income for which tax charged at Different rate | - | (4.37) |
| Non-Taxable Subsidiaries and effect of Differential Tax Rate under various jurisdiction | 11.62 | 3.04 |
| On Account of IndAS Adjustments | - | 1.14 |
| Others | - | (0.18) |
| D. Total tax impact of permanent differences | (62.06) | 1.78 |
| <u>Tax impact of temporary differences</u> | | |
| Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Other Intangible Assets | (1.58) | (0.24) |
| Deferred Tax creation/utilisation of carry forward losses | 2.81 | (3.68) |
| Incremental Deferred Tax (Asset) / Liability on account of Financial Assets and Other Items | 78.93 | - |
| E. Tax impact of temporary differences | 80.16 | (3.92) |
| F. Net Adjustments (D+E) | 18.10 | (2.14) |
| G. Current Tax (C+D) | 132.04 | 0.10 |
| H. Deferred Tax | 80.16 | (3.92) |
| I. Total Tax Liability (G+H) | 212.20 | (3.82) |

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANAND RATHI WEALTH SERVICES LIMITED
(Formerly Known as A R Venture Funds Management Limited)
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Annexure V

Note 46(1) Restated Ind AS Consolidated Summary Statement of Material adjustments

Summarised below are the restatement adjustments made to the audited consolidated financial statements for the year ended March 31, 2018 and March 31, 2017 and their impact on the profit of the Group:

| (Rs in million) | |
|--|-----------------------|
| Particulars | March 31, 2017 |
| Profit after tax (as per Audited Consolidated Financial Statements) (i) | (1.98) |
| <u>Restatement Adjustments:</u> | |
| Tax Adjustments of earlier year | 0.38 |
| Total Impact of Restatement Adjustment (ii) | 0.38 |
| Profit after tax (As Restated) (iii)=(i)+(ii) | (1.60) |

Opening Reserve Reconciliation

| Particulars | |
|---|---------------|
| Surplus in the Statement of Profit and Loss as at April 1, 2016 (as per Audited Standalone Financial Statements) (i) | 55.05 |
| <u>Adjustment on account of Restatements:-</u> | |
| Tax adjustments of earlier years | (0.38) |
| Total Impact of Restatement Adjustment (ii) | (0.38) |
| Surplus in the Statement of Profit and Loss as at April 1, 2016 (As Restated) (iii)=(i)+(ii) | 54.67 |

1) Tax adjustment for earlier year - During the year ended March 31, 2017, the Company had recorded certain tax expenses of prior years in the statement of profit and loss. These have been adjusted in the years to which it relates.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

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ANNEXURE V

NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION

49 Restated Ind AS Consolidated Summary Statement of Subsequent Events

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.

Mr. Amol Bhabal was appointed as the Chief Financial Officer of the Company effective 01 October 2017, who resigned subsequently. Mr. Rajesh Bhutra was appointed as the Chief Financial Officer of the Company effective from 10 July 2018.

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION****50 Ind AS: Transition to Ind AS:**

The financial statements for the year ended March 31, 2018 are the first financial statements the Group has prepared in accordance with Ind AS. For the periods upto and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (IGAAP)

The Group has prepared the opening Ind AS Balance Sheet as on April 1, 2016 (the "transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. This note explains the principal adjustments made by the Group in restating its IGAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017 and how the transition from IGAAP to Ind AS has affected the Group's financial position and financial performance. Ind AS 101 allows the first time adopters certain exemptions from the retrospective application of the certain requirements under Ind AS.

Reconciliation of equity as at transition date April 1, 2016*

| | Note | Indian GAAP | Ind AS Adjustments | Restated Adjustments (Refer Annexure 46(1)) | Ind AS |
|-------------------------------------|------|--------------|--------------------|---|--------------|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | | - | - | - | - |
| Capital work in progress | | - | - | - | - |
| Other Intangible assets | | - | - | - | - |
| Financial Assets | | | | | |
| - Investments | | 42.42 | - | - | 42.42 |
| - Other Financial assets | | - | - | - | - |
| Current Tax Assets (Net) | | 0.83 | - | - | 0.83 |
| Deferred Tax Assets | | - | - | - | - |
| | | 43.25 | - | - | 43.25 |
| Current Assets | | | | | |
| Financial Assets | | | | | |
| - Investments | | - | - | - | - |
| - Loans | | - | - | - | - |
| - Trade Receivables | | 4.90 | - | - | 4.90 |
| - Cash and cash equivalents | | 5.44 | - | - | 5.44 |
| - Other financial assets | | - | - | - | - |
| Other Current Assets | | 16.04 | - | - | 16.04 |
| | | 26.38 | - | - | 26.38 |
| TOTAL ASSETS | | | | | |
| | | 69.62 | - | - | 69.62 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | | 1.95 | - | - | 1.95 |
| Other Equity | | 62.79 | - | - | 62.79 |
| Total Equity | | 64.74 | - | - | 64.74 |
| Liabilities | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | | - | - | - | - |
| Deferred Tax Liabilities | | - | - | - | - |
| | | - | - | - | - |
| Current Liabilities | | | | | |
| Financial liabilities | | | | | |
| - Borrowings | | - | - | - | - |
| - Trade Payables | | 0.00 | - | - | 0.00 |
| - Other Financial Liabilities | | 4.74 | - | - | 4.74 |
| Provisions (Current) | | - | - | - | - |
| Other Current Liabilities | | 0.14 | - | - | 0.14 |
| Total Liabilities | | 4.88 | - | - | 4.88 |
| TOTAL EQUITY AND LIABILITIES | | | | | |
| | | 69.62 | - | - | 69.62 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of equity as at 31 March 2017*

| | Note | Indian GAAP | Ind AS Adjustments | Restated Adjustments (Refer Annexure 46(1)) | Ind AS |
|-------------------------------------|-------|---------------|--------------------|---|---------------|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | | 18.98 | - | - | 18.98 |
| Intangible assets | | 90.10 | - | - | 90.10 |
| Intangible assets under development | | 202.82 | - | - | 202.82 |
| Goodwill | 7 | 6.44 | (2.38) | - | 4.06 |
| Financial Assets | | | | | |
| - Investments | | - | - | - | - |
| - Loan | 4 | 13.41 | (2.46) | - | 10.95 |
| - Other Financial assets | | - | - | - | - |
| Current Tax Assets (net) | | 22.67 | - | - | 22.67 |
| Deferred Tax Assets | | 3.92 | - | - | 3.92 |
| | | 358.35 | (4.84) | - | 353.51 |
| Current Assets | | | | | |
| Financial Assets | | | | | |
| - Loans | | - | - | - | - |
| - Trade Receivables | | 74.60 | - | - | 74.60 |
| - Cash and cash equivalents | | 26.52 | - | - | 26.52 |
| - Bank Balances other than above | | 0.37 | - | - | 0.37 |
| - Other financial assets | | 88.97 | - | - | 88.97 |
| Other Current Assets | 4 | 7.01 | 2.45 | - | 9.46 |
| | | 197.47 | 2.45 | - | 199.92 |
| TOTAL ASSETS | | 555.82 | (2.39) | - | 553.43 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | | 130.50 | - | - | 130.50 |
| Other Equity | 2,3&5 | 8.55 | (8.91) | - | (0.36) |
| Non Controlling Interest | 7 | 1.67 | 2.18 | - | 3.85 |
| Total Equity | | 140.72 | (6.73) | - | 133.99 |
| Liabilities | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | | 1.35 | - | - | 1.35 |
| Deferred Tax Liabilities | | - | - | - | - |
| | | 1.35 | - | - | 1.35 |
| Current Liabilities | | | | | |
| Financial liabilities | | | | | |
| - Borrowings | | 251.73 | - | - | 251.73 |
| - Trade Payables | | 40.66 | (0.01) | - | 40.66 |
| - Other Financial Liabilities | | 13.51 | - | - | 13.51 |
| Provisions (Current) | | 78.88 | - | - | 78.88 |
| Other Current Liabilities | 6 | 28.98 | 4.34 | - | 33.32 |
| Total Liabilities | | 413.76 | 4.34 | - | 418.10 |
| TOTAL EQUITY AND LIABILITIES | | 555.83 | (2.39) | - | 553.44 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2017*

| | Note | Indian GAAP | Ind AS Adjustments | Restated Adjustments (Refer Annexure 46(1)) | Ind AS |
|--|------|---------------|--------------------|---|---------------|
| Revenue From Operation | 6 | 414.48 | (4.34) | - | 410.14 |
| Other Income | 4 | 15.26 | 0.06 | - | 15.33 |
| Total Revenue | | 429.74 | (4.28) | - | 425.47 |
| Expenses: | | | | | |
| Employee Benefit Expenses | 3 | 350.20 | 0.35 | - | 350.55 |
| Finance Costs | | 1.18 | - | - | 1.18 |
| Depreciation and Amortisation Expenses | | 10.34 | (0.00) | - | 10.34 |
| Operational & Other Expenses | 4 | 68.74 | 0.08 | - | 68.82 |
| Total Expenses | | 430.46 | 0.43 | - | 430.89 |
| Profit/(Loss) Before Tax | | (0.72) | (4.71) | - | (5.42) |
| Tax Expenses: | | | | | |
| 1. Current Tax | | 0.57 | (0.09) | (0.38) | 0.10 |
| 2. Deferred Tax | | (3.93) | 0.00 | - | (3.92) |
| TOTAL TAX EXPENSES | | (3.34) | (0.09) | (0.38) | (3.82) |
| Profit/(Loss) for the Year | | 2.62 | (4.62) | 0.39 | (1.60) |
| Share of Non Controlling Interest | 7 | (5.43) | 4.56 | - | (0.88) |
| | | 8.05 | (9.18) | 0.39 | (0.72) |
| Other Comprehensive Income/(Loss) | | | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | - | 0.31 | - | 0.31 |
| (ii) Less : Income tax relating to items that will not be reclassified to profit or loss | | - | 0.09 | - | 0.09 |
| (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) | | - | 0.22 | - | 0.22 |
| Less : Share of Non Controlling Interest | | - | 0.01 | - | 0.01 |
| | | - | 0.21 | - | 0.21 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 8.05 | (8.97) | 0.39 | (0.51) |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of Cash Flow Statement at 31 March 2017*

| | Indian GAAP | Ind AS Adjustments | Restated Adjustments (Refer Annexure 46(1)) | Ind AS |
|---|--------------|--------------------|---|--------------|
| Net Cash Flow from Operating Activities | 220.56 | (252.18) | - | (31.62) |
| Net Cash Flow from Investing Activities | (259.35) | (7.14) | - | (266.50) |
| Net Cash Flow from Financing Activities | 59.87 | 259.33 | - | 319.20 |
| Net increase/(decrease) in Cash and Cash equivalents | 21.08 | 0 | 0 | 21.08 |
| Cash and cash equivalents as at April 01, 2016 | 5.44 | 0 | 0 | 5.44 |
| Cash and cash Equivalents as at March 31, 2017 | 26.52 | - | - | 26.52 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(Rs. 0.00 million indicates amount less than Rs. 0.01 million)

Notes to first time adoption

1) Fair Valuation of Investment

Under the previous GAAP, investments in equity instruments, debentures and mutual funds were classified as long term investments or current investments based on the intended holding period and reliability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss.

2) Defined Benefit Liability

Under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, were charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to Other Comprehensive Income.

3) Share based payment

Under the previous GAAP, the cost of equity settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date over the vesting period.

4) Financial Instruments - Security Deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, The Group has fair valued these security deposits under Ind AS.

5) Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

6) Revenue Recognition

Under the previous GAAP, Group recognised revenue as and when it is certain. In Ind AS group recognised revenue during the period it renders services. Accordingly non refundable subscription received for providing services was recognised as full revenue at the inception of contract whereas under Ind AS it is spread over the tenure of the contract.

7) Goodwill and Non Controlling Interest

Under the previous GAAP, balances of Goodwill, Non Controlling Interest and Share of Profit / Loss of Non Controlling Interest have been recalculated for arriving at the impact of Ind AS adjustments. During the conversion, an adjustment of Rs. (4.26) million in the balance off Goodwill, Rs. 3.91 million in Non Controlling Interest and Rs. (8.17) million in Share of Profit / Loss of Non Controlling Interest has been made on account of rectification in the calculation under the previous GAAP.

Note: The figures disclosed above are based on the restated Ind AS Consolidated Financial information of the group. The above statement should be read with Notes to Restated Ind AS Consolidated Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V -1 & 2 and information appearing from Annexure V - 3 to Annexure V - 50.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi **Rakesh Rawal**
Managing Director **Director & Chief Executive Officer**
DIN : 00029791 **DIN : 02839168**

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

Dilip Balakrishnan **Rajesh Bhutra**
Company Secretary **Chief Financial Officer**

Private and confidential

To,
The Board of Directors,
Anand Rathi Wealth Services Limited
(Formerly known as A R Venture Funds Management Limited)
4th Floor, Silver Metropolis,
Jaicoach Compound,
Opposite Bimbisar Nagar,
Goregaon(East),
Mumbai - 400 063.

Auditor's Report on Restated Ind AS Standalone Financial Information as at and for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) in connection with the Public Offering of Anand Rathi Wealth Services Limited

Dear Sirs

- 1) We have examined the attached Restated Ind AS Standalone Financial Information of Anand Rathi Wealth Services Limited (formerly A R Ventures Funds Management Limited) (the "Company") which comprise of the restated Ind AS standalone summary statement of assets and liabilities as at March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma), the restated Ind AS standalone summary statement of profit and loss (including other comprehensive income) , the restated Ind AS standalone summary statement of cash flows and the restated Ind AS standalone summary statement of changes in equity for each of the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma), read together with summary of significant accounting policies, annexures and notes thereto and other restated Ind AS Standalone financial information described in paragraph 6 below (collectively, together with the notes and annexures thereto, referred to as the "Restated Ind AS Standalone Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offering (the "IPO") and Offer for Sale ("OFS") (collectively "the Public offering"). The Restated Ind AS Standalone Financial Information have been approved by the Board of Directors of the Company in its meeting held on September 1, 2018 and is prepared in terms of the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act") as amended and
 - b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "SEBI ICDR Regulations") along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India

- 2) The preparation of the Restated Ind AS Standalone Financial Information is the responsibility of Board of Directors and management of the Company for the purpose set out in paragraph 10 below. The said responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Ind AS Standalone Financial Information. Management is also responsible for identifying and ensuring that the Company complies with the Companies Act and the SEBI ICDR Regulations.
- 3) We have examined such Restated Ind AS Standalone Financial Information taking into consideration:
 - a. Terms of reference and terms of our engagement agreed upon with the Company in accordance with our engagement letter dated February 12, 2018 in connection with the proposed public offering by the Company; and
 - b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") as amended from time to time ("the Guidance Note").
- 4) The Restated Ind AS Standalone Financial Information have been compiled by the management of the Company from the Audited Financial Statements as at March 31, 2018, March 31, 2017 and March 31, 2016 and for each of the years ended March 31, 2018, March 31, 2017 and March 31, 2016 prepared on a standalone basis in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors of the Company at their meetings held on July 10, 2018, August 29, 2017 and July 27, 2016 respectively.

Audit for the financial year ended March 31, 2017 and March 31, 2016 was conducted by previous auditors, Shraavan Gandhi & Associates, Chartered Accountants, Mumbai ("the erstwhile auditors") and the reliance has been placed on Auditor's report issued by them dated August 29, 2017 and July 27, 2016 respectively. The financial report included for the said years are based solely on the reports submitted by them.

- 5) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:
 - a. The Restated Ind AS standalone summary statement of assets and liabilities of the Company as at March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) examined by us, as set out in Annexure I of the Restated Ind AS Standalone Financial Information to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Annexure V-43 to the Restated Ind AS Standalone Financial Information.
 - b. The Restated Ind AS standalone summary statement of profit and loss of the Company for each of the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) examined by us, as set out in Annexure II of the Restated Ind AS Standalone Financial Information to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Annexure V-43 to the Restated Ind AS Standalone Financial Information.

- c. The Restated Ind AS standalone summary statement of cash flows of the Company for each of the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) examined by us, as set out in Annexure III of the Restated Ind AS Standalone Financial Information to this report, have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Annexure V-43 to the Restated Ind AS Standalone Financial Information.
 - d. The Restated Ind AS standalone summary statement of changes in equity of the Company for each of the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (Proforma) examined by us, as set out in Annexure IV to the Restated Ind AS Standalone Financial Information have been arrived at after making adjustments and regroupings / reclassifications as in our opinion, were appropriate and more fully described in Annexure V-43 to the Restated Ind AS Standalone Financial Information.
 - e. Based on the above and according to the information and explanations given to us, we further report that the Restated Ind AS Standalone Financial Information:
 - i. do not contain any adjustment due to change in the accounting policy, since there are no change in accounting policies;
 - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
 - iii. do not contain any extra ordinary items that need to be disclosed separately in the Restated Ind AS Standalone Financial Information in the respective financial years; and
 - iv. do not contain any qualification as at and for the year ended March 31, 2018 March 31, 2017 and March 31, 2016 (Proforma) which requires adjustments.
- 6) We have also examined the following other Restated Ind AS standalone financial information of the Company set out in the Annexures prepared by its management and approved by the Board of Directors of the Company at its meeting held on September 1, 2018 for each of the years ended March 31, 2018, March 31, 2017 and March 31, 2016:

Annexure V-3 : Restated Ind AS Standalone Summary Statement of Property, plant and equipment
 Annexure V-4 ; Restated Ind AS Standalone Summary Statement of Other Intangible Assets
 Annexure V-5 : Restated Ind AS Standalone Summary Statement of Investments
 Annexure V-6 : Restated Ind AS Standalone Summary Statement of Loans
 Annexure V-7 : Restated Ind AS Standalone Summary Statement of Other Financial asset
 Annexure V-8 : Restated Ind AS Standalone Summary Statement of Current Tax Assets (Net)
 Annexure V-9 : Restated Ind AS Standalone Summary Statement of Deferred Tax Assets/(Liabilities)
 Annexure V-10 : Restated Ind AS Standalone Summary Statement of Trade Receivables
 Annexure V-11 : Restated Ind AS Standalone Summary Statement of Cash and cash equivalents
 Annexure V-12 : Restated Ind AS Standalone Summary Statement of Other Current assets
 Annexure V-13 : Restated Ind AS Standalone Summary Statement of Equity Share capital
 Annexure V-14 : Restated Ind AS Standalone Summary Statement of Other Equity

Annexure V-15 : Restated Ind As Standalone Summary Statement of Borrowings

Annexure V-16 : Restated Ind AS Standalone Summary Statement of Trade payables
Annexure V-17 : Restated Ind AS Standalone Summary Statement of Other financial liabilities
Annexure V-18 : Restated Ind AS Standalone Summary Statement of Provisions
Annexure V-19 : Restated Ind AS Standalone Summary Statement of Other current liabilities
Annexure V-20 : Restated Ind AS Standalone Summary Statement of Revenue from operations
Annexure V-21 : Restated Ind AS Standalone Summary Statement of Other income
Annexure V-22 : Restated Ind AS Standalone Summary Statement of Employee benefits expenses
Annexure V-23 : Restated Ind AS Standalone Summary Statement of Finance costs
Annexure V-24 : Restated Ind AS Standalone Summary Statement of Other expenses
Annexure V-25 : Restated Ind AS Standalone Summary Statement of Income tax expense
Annexure V-26 : Restated Ind AS Standalone Summary Statement of Operating Segments
Annexure V-27 : Restated Ind AS Standalone Summary Statement of Operating leases
Annexure V-28 : Restated Ind AS Standalone Summary Statement of Related Party Disclosure
Annexure V-29 : Restated Ind AS Standalone Summary Statement of Accounting Ratios
Annexure V-30 : Restated Ind AS Standalone Summary Statement of Share Based Payments
Annexure V-31 : Restated Ind AS Standalone Summary Statement of Corporate Social Responsibility
Annexure V-32 : Restated Ind AS Standalone Summary Statement of Capital Management
Annexure V-33 : Restated Ind AS Standalone Summary Statement of Capitalisation
Annexure V-34 : Restated Ind AS Standalone Summary Statement of Business Combinations
Annexure V-39 : Restated Ind AS Standalone Summary Statement of Dividend
Annexure V-42 : Restated Ind AS Standalone summary statement of Tax Shelter
Annexure V-43 : Restated Ind AS Standalone Summary Statement of Material Adjustments
Annexure V-44 : Restated Ind AS Standalone Summary Statement of Non Adjusting events
Annexure V-45 : Restated Ind AS Standalone Summary Statement of Subsequent events

According to the information and explanations given to us and in our opinion, the Restated Ind AS Standalone Financial Information of the Company as at and for the years ended March 31 2018, March 31, 2017 and March 31, 2016 (Proforma), and the above mentioned other restated Ind AS standalone financial information contained in Annexures V-3 to V-46 of the Restated Ind AS Standalone Financial Information accompanying this report, read with restated summary of significant accounting policies disclosed in Annexure V-1 & 2 of the Restated Ind AS Standalone Financial Information have been prepared after making adjustments and regroupings as considered appropriate as disclosed in Annexure V-43 have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

- 7) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- 8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants,, nor should this report be construed as a new opinion on any of the standalone financial statements referred to herein.
- 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

- 10) Our report is intended solely for use of management for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, to be filed with the Securities and Exchange Board of India, the National Stock Exchange of India Limited, BSE Limited where the equity shares are proposed to be listed and Registrar of Companies, Maharashtra situated in Mumbai in connection with the proposed Public offering by the Company. Our report should not be used, referred to or distributed to any other person for any other purpose except with our prior consent in writing.

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
(Firm's Registration
No:105146W)

Place: Mumbai
Dated: September 1, 2018

Hasmukh B.Dedhia
Partner (F-33494)

ANNEXURE I

RESTATED IND AS STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Rs in Million)

| PARTICULARS | ANNEXURE | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
|-------------------------------------|------------|----------------------|----------------------|---------------------------------|
| I ASSETS | | | | |
| Non-Current Assets | | | | |
| Property, Plant and Equipment | V - 3 | 37.84 | 7.01 | - |
| Other Intangible assets | V - 4 | 54.05 | 62.94 | - |
| Financial Assets | | | | |
| - Investments | V - 5(i) | 117.94 | 25.20 | 42.42 |
| - Loan | V - 6(i) | 23.53 | 10.61 | - |
| - Other Financial assets | V - 7(i) | 2.50 | - | - |
| Current Tax Assets (Net) | V - 8 | 86.44 | 15.72 | 0.45 |
| Deferred Tax Assets (Net) | V - 9 | - | 3.93 | 0.00 |
| | | 322.30 | 125.41 | 42.87 |
| Current Assets | | | | |
| Financial Assets | | | | |
| - Investments | V - 5(ii) | 500.81 | - | - |
| - Trade Receivables | V - 10 | 104.55 | 73.66 | 4.90 |
| - Cash and cash equivalents | V - 11 | 3.41 | 22.65 | 5.44 |
| - Loans | V - 6(ii) | 488.59 | 209.03 | - |
| - Other Financial Assets | V - 7(ii) | 221.93 | 88.97 | - |
| Other Current Assets | V - 12 | 76.21 | 5.74 | 16.04 |
| | | 1,395.50 | 400.05 | 26.38 |
| TOTAL ASSETS | | 1,717.80 | 525.46 | 69.25 |
| II EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Equity Share Capital | V - 13 | 134.43 | 130.50 | 1.95 |
| Other Equity | V - 14 | 763.53 | 9.43 | 62.41 |
| | | 897.96 | 139.93 | 64.36 |
| Liabilities | | | | |
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| - Borrowings | V - 15(i) | 4.97 | 1.35 | - |
| Deferred Tax Liabilities (Net) | V - 9 | 76.15 | - | - |
| | | 81.12 | 1.35 | - |
| Current Liabilities | | | | |
| Financial liabilities | | | | |
| - Borrowings | V - 15(ii) | 1.88 | 245.57 | - |
| - Trade Payables | V - 16 | 47.98 | 34.54 | 0.00 |
| - Other Financial Liabilities | V - 17 | 387.12 | 5.12 | 4.75 |
| Provisions (Current) | V - 18 | 251.49 | 75.50 | - |
| Other Current Liabilities | V - 19 | 50.25 | 23.45 | 0.14 |
| | | 738.72 | 384.18 | 4.89 |
| TOTAL EQUITY AND LIABILITIES | | 1,717.80 | 525.46 | 69.25 |

(Rs. 0.00 million indicates amount less than Rs. 0.01 million)

Note: The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

ANNEXURE II

RESTATED IND AS STANDALONE SUMMARY STATEMENT OF PROFIT & LOSS

(Rs in Million)

| PARTICULARS | ANNEXURE | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
|--|-----------|---|---|--|
| I Revenue From Operation | V - 20 | 2,104.94 | 369.47 | 4.75 |
| II Other Income | V - 21 | 87.93 | 23.13 | 2.46 |
| Total Revenue | | 2,192.87 | 392.60 | 7.21 |
| III Expenses: | | | | |
| Employee Benefit Expenses | V - 22 | 998.99 | 330.25 | 0.96 |
| Finance Costs | V - 23 | 87.28 | 7.81 | 0.03 |
| Depreciation and Amortisation Expenses | V - 3 & 4 | 35.18 | 0.09 | - |
| Other Expenses | V - 24 | 358.22 | 49.39 | 4.29 |
| Total Expenses | | 1,479.67 | 387.54 | 5.28 |
| IV Profit/(Loss) Before Tax | | 713.20 | 5.06 | 1.93 |
| V Tax Expenses: | | | | |
| 1. Current Tax | V - 25 | 129.77 | - | 0.36 |
| 2. Deferred Tax | V - 25 | 80.07 | (3.93) | - |
| Total Tax Expenses | | 209.84 | (3.93) | 0.36 |
| VI Profit/(Loss) for the Year | | 503.36 | 8.99 | 1.57 |
| VII Other Comprehensive Income/(Loss) | | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | (1.27) | 0.30 | - |
| (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) | | (1.27) | 0.30 | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 502.09 | 9.29 | 1.57 |
| VIII Earning Per Equity Share: | V - 29 | | | |
| Basic | | 18.83 | 0.46 | 0.12 |
| Diluted | | 18.47 | 0.46 | 0.12 |

Note: The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

RESTATED IND AS STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(Rs in Million)

| Notes | 2017-18 | 2016-17 | 2015-16 (Proforma) |
|---|-----------------|-----------------|-----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | 713.20 | 5.06 | 1.93 |
| Add / (Less) : | | | |
| Depreciation & Amortisation | 35.18 | 0.09 | - |
| Interest Income | (27.71) | (8.42) | (1.26) |
| Interest Expenses | 87.28 | 7.81 | 0.03 |
| Dividend | - | (0.57) | (1.20) |
| Gain on Sale of Investments | (3.38) | (14.14) | - |
| Fair Value of Financial Instruments | (284.48) | - | - |
| | (193.11) | (15.23) | (2.43) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 520.09 | (10.17) | (0.50) |
| Adjustment for : | | | |
| Trade Receivables & Other Current / Financial Assets | (212.53) | (147.43) | (0.72) |
| Security Deposit Given | (12.91) | (10.61) | - |
| Other Financial / Current Liabilities | 858.93 | 134.03 | 4.81 |
| Change in ESOP Outstanding | 0.03 | 0.04 | - |
| | 633.52 | (23.97) | 4.09 |
| CASH GENERATED FROM OPERATIONS | 1,153.61 | (34.14) | 3.59 |
| Add / (Less) : | | | |
| Direct Taxes Paid (Net) | (200.49) | (15.27) | (0.87) |
| NET CASH FROM OPERATING ACTIVITIES | 953.12 | (49.41) | 2.72 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | | |
| Purchase of Property, Plant & Equipment | (34.44) | (7.10) | - |
| Sale of Property Plant & Equipment | 0.01 | | - |
| Acquisition of Customer relationship | (22.70) | (62.94) | - |
| Loans Given | (279.55) | (209.03) | - |
| Dividend | - | 0.56 | 1.20 |
| Interest Income | 27.63 | 8.42 | 1.26 |
| Investment in Subsidiaries | (92.74) | (25.20) | - |
| Purchase of Other Investment | (1,100.00) | 56.55 | - |
| Sale of Other Investment | 603.38 | | - |
| Investment in Fixed Deposit | (2.50) | - | - |
| NET CASH FROM INVESTING ACTIVITIES | (900.91) | (238.74) | 2.46 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | | |
| Loan Taken/(Repayment) | (240.08) | 246.92 | - |
| Interest Expenses | (87.28) | (7.81) | (0.03) |
| Issue of Shares | 255.91 | 66.25 | - |
| NET CASH USED IN FINANCING ACTIVITIES | (71.45) | 305.36 | (0.03) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALEN | (19.24) | 17.21 | 5.15 |
| CASH AND CASH EQUIVALENTS - Opening Balance | 22.65 | 5.44 | 0.29 |
| CASH AND CASH EQUIVALENTS - Closing Balance | 3.41 | 22.65 | 5.44 |

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

| | | | |
|------------------------------|-------------|--------------|-------------|
| - Cash in Hand | 1.30 | 0.56 | 0.20 |
| - Balance in Current Account | 2.11 | 22.09 | 5.24 |
| Total | 3.41 | 22.65 | 5.44 |

Restated 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.

Note: The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

ANNEXURE IV
RESTATED STANDALONE SUMMARY STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

| | Nos. in Million | INR Million |
|--|-----------------|-------------|
| Equity shares of INR 10 each issued, subscribed and fully paid | | |
| At 1 April 2015 | 0.19 | 1.95 |
| Changes in equity share capital during the year | - | - |
| At 31 March 2016 | 0.19 | 1.95 |
| Changes in equity share capital during the year | 12.86 | 128.55 |
| At 31 March 2017 | 13.05 | 130.50 |
| Changes in equity share capital during the year | 0.39 | 3.93 |
| At 31 March 2018 | 13.44 | 134.43 |

B. Other Equity

FOR THE YEAR ENDED MARCH 31, 2018

(Rs in Million)

| | Reserve and Surplus | | | Other Comprehensive Income | Total Other Equity |
|--|---------------------|-------------------|------------------|----------------------------|--------------------|
| | Securities Premium | Retained Earnings | ESOP Outstanding | | |
| Balance as at April 1, 2015 | 7.75 | 53.09 | - | - | 60.84 |
| Profit for the Year | - | 1.57 | - | - | 1.57 |
| Remeasurement of the net defined benefit liability/asset | - | - | - | - | - |
| <i>Total</i> | 7.75 | 54.66 | - | - | 62.41 |
| Transfer of profits of the year to General reserve | - | - | - | - | - |
| Balance as at March 31, 2016 | 7.75 | 54.66 | - | - | 62.41 |
| Balance as at April 1, 2016 | 7.75 | 54.66 | - | - | 62.41 |
| Profit for the Year | - | 8.99 | - | - | 8.99 |
| Remeasurement of the net defined benefit liability/asset | - | - | - | - | - |
| <i>Total</i> | 7.75 | 63.65 | - | - | 71.40 |
| Bonus Issue | (7.75) | (54.56) | - | - | (62.30) |
| Transfer of profits of the year to General reserve | - | - | - | - | - |
| Remeasurement of the net defined benefit liability/asset | - | - | - | 0.30 | 0.30 |
| <i>Total</i> | - | 9.09 | - | 0.30 | 9.40 |
| Addition in Share Options during the year | - | - | 0.04 | - | 0.04 |
| Less : Utilisation during the year | - | - | - | - | - |
| Balance as at March 31, 2017 | - | 9.09 | 0.04 | 0.30 | 9.44 |
| Balance as at April 1, 2017 | - | 9.09 | 0.04 | 0.30 | 9.44 |
| Profit for the Year | - | 503.36 | - | - | 503.36 |
| Remeasurement of the net defined benefit liability/asset | - | - | - | (1.27) | (1.27) |
| <i>Total</i> | - | 512.45 | 0.04 | (0.97) | 511.53 |
| Issue of shares on premium | 251.98 | - | - | - | 251.98 |
| Transfer of profits of the year to General reserve | - | - | - | - | - |
| Realised gain on equity shares carried at fair value through OCI | - | - | - | - | - |
| Total | 251.98 | 512.45 | 0.04 | (0.97) | 763.51 |
| Addition in Share Options during the year | - | - | 0.18 | - | 0.18 |
| Less : Utilisation during the year | - | - | (0.15) | - | (0.15) |
| Balance as at March 31, 2018 | 251.98 | 512.45 | 0.07 | (0.97) | 763.53 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

ANAND RATHI WEALTH SERVICES LTD

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****1 CORPORATE INFORMATION**

Anand Rathi Wealth Services Limited ("the Company") (Formally 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 4th Floor Silver Metropolis, Jai Coach Compound Opposite Bimbisar Nagar, Goregaon (East) Mumbai, Maharashtra. It is engaged in business of Services for Distribution and Sale of Financial products.

2 SIGNIFICANT ACCOUNTING POLICIES**(A) Basis of Preparation****(i) Statement of Compliance**

The Restated Ind AS Standalone Summary Statement of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017 and March 31, 2016, Restated Ind AS Standalone Summary Statement of profit and loss including Other Comprehensive Income, Restated Ind AS Standalone Summary Statement of changes in equity and Restated Ind AS Standalone Summary Statement of cash flows for the years ended March 31, 2018, March 31, 2017 and March 31, 2016 (hereinafter collectively referred to as "Restated Ind AS Standalone Financial Information") have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act"), to the extent applicable.

In accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of Restated Standalone Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP" or "Indian GAAP") to Ind AS of Restated Standalone Shareholders' equity as at March 31, 2017, March 31, 2016, and March 31, 2015 and of the Restated Ind AS Standalone Statement of Other Comprehensive Income for the years ended March 31, 2017 and March 31, 2016.

The Restated Ind AS Standalone Financial Information have been prepared by management in connection with the proposed listing of equity shares of the Company, and for inclusion in the Draft Red Herring Prospectus ("DRHP"), Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as the "Offer Documents") to be filed by the Company with the Securities and Exchange Board of India (the "SEBI"), Registrar of Companies, Maharashtra, situated in Mumbai and the concerned stock exchanges in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") as amended;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "SEBI ICDR Regulations") along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

This Restated Ind AS Standalone Financial Information were authorised for issue by the Company's Board of Directors on September 1, 2018.

(ii) The Restated Ind AS Standalone Financial Information have been compiled from:

(a) Audited Standalone financial statements of the Company for the year ended March 31, 2018 which include the comparative Ind AS financial statements for the year ended March 31, 2017 prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their Board meeting held on July 10, 2018 and Proforma Ind AS Standalone financial information for the year ended March 31, 2016 prepared by making Ind AS adjustments to the audited Indian GAAP standalone financial statements for the year ended March 31, 2016 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "SEBI Circular") and the Guidance Note.

(b) The standalone financial statements for the year ended March 31, 2018 have been prepared in accordance with Ind AS. The Company is covered under Phase II of Ind AS applicability, since the Company is in process of listing. Accordingly, the Company is required to prepare the financial statements on the basis of Ind AS from the financial year beginning on April 1, 2017 with comparatives for the year ended March 31, 2017. These standalone financial statements for the year ended March 31, 2018 are the Company's first Ind AS financial statements.

ANAND RATHI WEALTH SERVICES LTD

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(iii) Basis of Measurement of Restated Financial Information**

The Restated Financial Information 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 Restated Financial Information are consistent with those followed in the previous year by the Company.

(iv) Functional and Presentation Currency

The Restated Standalone Financial Information are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

(v) 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.

(B) Critical Accounting Judgements and key Sources of Estimation Uncertainty

The preparation of the Company's Financial Information 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, the Company has acquired Private Wealth Management business from Religare Wealth Management Limited, for which the Company has made payment which have been capitalised as Customer Relationship Cost. Company expects that it will get future economic benefit of it over the period of 3 years.

(ii) Depreciation / Amortisation and useful lives of property, plant and equipment: The Company depreciates its tangible assets over the useful life of an Asset as prescribed under Part C of Schedule II of Companies Act, 2013. The 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. The Company determines Fair Value of Quoted Investment from available market price. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

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

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

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

ANAND RATHI WEALTH SERVICES LTD

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(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.

(C) 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.

(D) 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.

| <u>Fixed Assets</u> | <u>Useful Life</u> |
|------------------------|--------------------|
| Office Equipments | 5 years |
| Computer Equipments | 3 years |
| Motor Car | 8 years |
| Furniture and Fixtures | 10 years |

(ii) 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.

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

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(E) Financials Instruments**

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

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

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

(i) Classification & Measurement of Financial Assets

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

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

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

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

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

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

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

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

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

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

(ii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVOCI debt instruments, and other financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 40 details how the Company determines whether there has been a significant increase in credit risk.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

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

The 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.

(F) 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.

(G) 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.

(H) 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.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(I) 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.

(J) 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 Leasee 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.

(K) 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.

(L) Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the company 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.

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.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION - BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES****(M) 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.

(N) 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.

(O) 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.

(P) 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.

(Q) 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.

(R) Rounding of amounts

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

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****3 RESTATED STANDALONE SUMMARY STATEMENT OF PROPERTY, PLANT AND EQUIPMENT****(Rs in Million)**

| Description | Computer equipment | Vehicles | Office equipments | Furniture & Fixtures | Total |
|---|--------------------|----------|-------------------|----------------------|-------|
| Gross Block as at April 1, 2017 | 1.40 | 5.50 | 0.20 | - | 7.10 |
| Additions | 13.18 | 9.62 | 1.40 | 10.24 | 34.44 |
| Disposals | 0.02 | - | - | - | 0.02 |
| Gross Block as at March 31, 2018 | 14.56 | 15.12 | 1.60 | 10.24 | 41.52 |
| Accumulated depreciation as at April 1, 2017 | 0.05 | 0.03 | 0.01 | - | 0.09 |
| Depreciation for the year | 1.82 | 1.41 | 0.09 | 0.28 | 3.60 |
| Less : Disposals | 0.01 | - | - | - | 0.01 |
| Accumulated depreciation as at March 31, 2018 | 1.86 | 1.44 | 0.10 | 0.28 | 3.68 |
| Net carrying amount as at March 31, 2018 | 12.70 | 13.68 | 1.50 | 9.96 | 37.84 |

| Description | Computer equipment | Vehicles | Office equipments | Furniture & Fixtures | Total |
|---|--------------------|----------|-------------------|----------------------|-------|
| Gross Block as at April 1, 2016 | - | - | - | - | - |
| Additions | 1.40 | 5.50 | 0.20 | - | 7.10 |
| Disposals | - | - | - | - | - |
| Gross Block as at March 31, 2017 | 1.40 | 5.50 | 0.20 | - | 7.10 |
| Accumulated depreciation as at April 1, 2016 | - | - | - | - | - |
| Depreciation for the year | 0.05 | 0.03 | 0.01 | - | 0.09 |
| Disposals | - | - | - | - | - |
| Accumulated depreciation as at March 31, 2017 | 0.05 | 0.03 | 0.01 | - | 0.09 |
| Net carrying amount as at March 31, 2017 | 1.35 | 5.47 | 0.19 | - | 7.01 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

4 RESTATED STANDALONE SUMMARY STATEMENT OF OTHER INTANGIBLE ASSETS**(Rs in Million)**

| Description | Customer Relationship * |
|---|--------------------------------|
| Gross Block as at April 1, 2017 | 62.94 |
| Additions | 22.70 |
| Disposals | - |
| Gross Block as at March 31, 2018 | 85.64 |
| Accumulated amortisation as at April 1, 2017 | - |
| Amortisation for the year | 31.59 |
| Disposals | - |
| Accumulated amortisation as at March 31, 2018 | 31.59 |
| Net carrying amount as at March 31, 2018 | 54.05 |
| Description | Customer Relationship * |
| Gross Block as at April 1, 2016 | - |
| Additions | 62.94 |
| Disposals | - |
| Gross Block as at March 31, 2017 | 62.94 |
| Accumulated amortisation as at April 1, 2016 | - |
| Amortisation for the year | - |
| Disposals | - |
| Accumulated amortisation as at March 31, 2017 | - |
| Net carrying amount as at March 31, 2017 | 62.94 |

* During the year 2016-17, the Company has acquired Private Wealth Management business from Religare Wealth Management Limited, for which the portion of payment made by Company has been capitalised as Customer Relationship Cost.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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ANNEXURE V
NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

| 5 RESTATED STANDALONE SUMMARY STATEMENT OF INVESTMENTS | | | | | | | (Rs in Million) |
|--|----------------------|----------------------|---------------------------------|----------------------|----------------------|---------------------------------|-----------------|
| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) | |
| | Qty. in Nos. | Qty. in Nos. | Qty. in Nos. | Amount | Amount | Amount | |
| (i) Investments - Non current | | | | | | | |
| Un-Quoted - Fully Paid | | | | | | | |
| Investment in Equity Shares of Subsidiaries at Cost | | | | | | | |
| AR Wealth Management Private Limited | 2,791,625 | 2,520,000 | | 94.22 | 25.20 | - | |
| Freedom Wealth Solutions Private Limited* | 2,371,625 | - | | 23.72 | - | - | |
| Investment in Equity Shares of Other Entities at Cost | | | | | | | |
| Bombay Stock Exchange Ltd** | - | - | 141,388 | | | | 42.42 |
| | | | | 117.94 | 25.20 | 42.42 | |
| Aggregate amount of Quoted Investment and market value thereof | | | | - | - | - | |
| Aggregate amount of Un-quoted Investment | | | | 117.94 | 25.20 | 42.42 | |
| Aggregate provision made for unquoted Investment | | | | - | - | - | |
| * During the year 2017-18, Company has purchased 23,71,625 shares of Freedom Wealth Solutions Private Limited on 25.09.2017 for consideration of Rs 23.717 million, making it the Company's direct subsidiary. | | | | | | | |
| ** The Company had an investment in equity shares of Rs. 42.416 million in BSE. Due to insufficient information available to measure the Fair value of these equity shares, the cost is considered as an appropriate estimate of fair value, in accordance with para B5.2.3 to Ind AS 109 "Financial Instruments". | | | | | | | |
| | | | | | | | (Rs in Million) |
| (ii) Investments - Current | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) | |
| | Qty. in Nos. | Qty. in Nos. | Qty. in Nos. | Amount | Amount | Amount | |
| Quoted - Fully Paid up | | | | | | | |
| Investment in Mutual Fund at Fair Value through Profit and Loss * | | | | | | | |
| HDFC Cash Management Fund | 55,640.81 | - | - | 200.27 | - | - | |
| Reliance Liquid Fund | 47,450.01 | - | - | 200.35 | - | - | |
| SBI Premier Liquid Fund | 36,893.10 | - | - | 100.19 | - | - | |
| | | | | 500.81 | - | - | |
| * The units have been pledged as collateral for margin on Options | | | | | | | |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

ANNEXURE V

NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

| 6 RESTATED STANDALONE SUMMARY STATEMENT OF LOANS | | (Rs in Million) | | |
|---|--|---------------------------------|---------------------------------|--|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| (i) | Loans - Non current | | | |
| | Security Deposits | 23.53 | 10.61 | - |
| | | 23.53 | 10.61 | - |
| | | | | (Rs in Million) |
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| (ii) | Loans - Current | | | |
| | Intercorporate Deposit To Related Party | | | |
| | (Secured, Considered Good) | | | |
| | Anand Rathi Global Finance Ltd | 150.00 | - | - |
| | (Un Secured, Considered Good) | | | |
| | A R Wealth Management Private Ltd | 210.12 | 119.13 | - |
| | Ffreedom Intermediary Infrastructure Pvt Ltd | 128.47 | 89.90 | - |
| | | 488.59 | 209.03 | - |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| 7 RESTATED STANDALONE SUMMARY STATEMENT OF OTHER FINANCIAL ASSETS | | (Rs in Million) | | |
|--|---|---------------------------------|---------------------------------|--|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| (i) | Other Financial Assets - Non current | | | |
| | Fixed Deposit with Bank (Lien against Bank Overdraft) | 2.50 | - | - |
| | | 2.50 | - | - |
| | | | | (Rs in Million) |
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| (ii) | Other Financial Assets - Current | | | |
| | Margin on Options | 163.08 | 5.02 | - |
| | Option Premium (net) | - | 83.95 | - |
| | Securities Held as Stock in trade | | | |
| | Un-Quoted - Fully Paid up | | | |
| | Debentures at Fair Value through Profit and Loss Of Anand Rathi Global Finance Limited | 58.85 | - | - |
| | | 221.93 | 88.97 | - |
| | Aggregate amount of Quoted Securities and market value thereof | - | - | - |
| | Aggregate amount of Un-quoted Securities | 58.85 | - | - |
| | Aggregate provision made for unquoted Securities | - | - | - |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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| | | (Rs in Million) | | |
|---|---|-------------------------|-------------------------|---------------------------------------|
| 8 | RESTATED STANDALONE SUMMARY STATEMENT OF CURRENT TAX ASSETS (NET) | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| | Advance Tax (Net of Provision for Tax) | 86.44 | 15.72 | 0.45 |
| | | 86.44 | 15.72 | 0.45 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|---|--|-------------------------|-------------------------|---------------------------------------|
| 9 | RESTATED STANDALONE SUMMARY STATEMENT OF DEFERRED TAX ASSETS / (LIABILITIES) | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| | Depreciation | 1.90 | 0.24 | - |
| | Long Term Capital Loss | 0.88 | 0.87 | - |
| | Business Loss | - | 2.82 | - |
| | Leave Provision | 3.91 | - | - |
| | Fair Valuation of Financial Instruments | (82.84) | - | - |
| | | (76.15) | 3.93 | - |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|----|--|-------------------------|-------------------------|---------------------------------------|
| 10 | RESTATED STANDALONE SUMMARY STATEMENT OF TRADE RECEIVABLES | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| | (Unsecured, Considered good) | | | |
| | Trade Receivables | | | |
| | Outstanding for the period more than six months | - | - | - |
| | Others | 104.55 | 73.66 | 4.90 |
| | | 104.55 | 73.66 | 4.90 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|----|--|-------------------------|-------------------------|---------------------------------------|
| 11 | RESTATED STANDALONE SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| | Balances with Banks | | | |
| | - in Current Accounts | 2.11 | 22.09 | 5.24 |
| | Cash in Hand | 1.30 | 0.56 | 0.20 |
| | | 3.41 | 22.65 | 5.44 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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| | | (Rs in Million) | | |
|----|---|-------------------------|-------------------------|---------------------------------------|
| 12 | RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRENT ASSETS | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| | (Unsecured, Considered good) | | | |
| | MAT Credit Entitlements | 23.56 | 1.38 | 0.44 |
| | Accrued Interest | 0.08 | - | - |
| | Staff Advances | 41.15 | 0.29 | - |
| | Prepaid Expenses | 5.38 | 2.78 | - |
| | Cenvat Claim / GST Credit | 1.93 | 0.19 | 0.47 |
| | Advance to Others | 1.50 | 1.10 | 15.13 |
| | Others | 2.61 | - | - |
| | | 76.21 | 5.74 | 16.04 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

| | | (Rs in Million) | | | | | |
|--|--|---|--|--|--|---|--|
| | | AS AT MARCH 31, 2018 | | AS AT MARCH 31, 2017 | | AS AT MARCH 31, 2016 | |
| 13 RESTATED STANDALONE SUMMARY STATEMENT OF EQUITY SHARE CAPITAL | | | | | | | |
| Authorised | | | | | | | |
| 2,00,00,000 (FY 17 - 1,50,00,000, FY 16 - 2,60,000) Equity Shares of Rs.10/-each | | 200.00 | | 150.00 | | 2.60 | |
| | | 200.00 | | 150.00 | | 2.60 | |
| Issued,Subscribed And Paid Up | | | | | | | |
| 1,34,43,040 (FY 17 - 1,30,50,000, FY 16 - 1,94,702) Equity Shares of Rs.10/-each Fully Paid Up | | 134.43 | | 130.50 | | 1.95 | |
| | | 134.43 | | 130.50 | | 1.95 | |
| (i) Reconciliation for No. of shares outstanding during the year | | | | | | | |
| | | 2017-18 | | 2016-17 | | 2015-16 (Proforma) | |
| Equity Shares | | No. of Shares (Rs in Million) | | No. of Shares (Rs in Million) | | No. of Shares (Rs in Million) | |
| Shares outstanding at the beginning of the year | | 13,050,000 130.50 | | 194,702 1.95 | | 194,702.00 1.95 | |
| Shares Issued during the year by capitalising of reserve | | - - | | 6,230,464 62.30 | | - - | |
| Shares Issued during the year for consideration | | 393,040 3.93 | | 6,624,834 66.25 | | - - | |
| Shares outstanding at the end of the year | | 13,443,040 134.43 | | 13,050,000 130.50 | | 194,702.00 1.95 | |
| (ii) Terms/Rights attached to the Equity Shares | | | | | | | |
| Equity Shares | | | | | | | |
| The Company has only one class of shares referred to as Equity Shares having a face value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The 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: | | | | | | | |
| | | AS AT MARCH 31, 2018 | | AS AT MARCH 31, 2017 | | AS AT MARCH 31, 2016 (Proforma) | |
| Name of Shareholders | | No. of shares held % of Holdings | | No. of shares held % of Holdings | | No. of shares held % of Holdings | |
| Anand Rathi Financial Services Limited (Holding Company upto 25.10.2016) | | 6,054,587 45.04 | | 6,100,166 46.74 | | 174,702 89.73 | |
| Anand Rathi | | 2,134,131 15.88 | | 2,537,880 19.45 | | - - | |
| Pradeep Kumar Gupta | | 755,254 5.62 | | 755,254 5.79 | | - - | |
| Kaushal Kumbhat | | - - | | - - | | 20,000 10.27 | |
| (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 | | - | | - | | - | |
| April 1, 2015 | | - | | - | | - | |
| (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 | | | | | | | |
| (vi) 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. | | | | | | | |
| Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46. | | | | | | | |

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| | | (Rs in Million) | | |
|--|---|----------------------------|----------------------------|--|
| 14 | RESTATED STANDALONE SUMMARY STATEMENT OF OTHER EQUITY | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| (a) Securities Premium | | | | |
| | Opening balance | - | 7.75 | 7.75 |
| | Less: Utilised for Bonus Issue | - | (7.75) | - |
| | Add: Addition During the Year | 251.98 | - | - |
| | Balance as at year end | 251.98 | - | 7.75 |
| (b) Share Options Outstanding Account | | | | |
| | Opening Balance | 0.04 | - | - |
| | Addition during the year | 0.18 | 0.04 | - |
| | Less : Transferred to Securities Premium | (0.15) | - | - |
| | Balance as at year end | 0.07 | 0.04 | - |
| (c) Retained Earnings | | | | |
| | Opening Balance | 9.09 | 54.66 | 53.09 |
| | Less: Utilised for Bonus Issue | - | (54.56) | - |
| | Add: Profit During the Year | 503.36 | 8.99 | 1.57 |
| | Balance as at year end | 512.45 | 9.09 | 54.66 |
| (d) Other Comprehensive Income | | | | |
| | Opening Balance | 0.30 | - | - |
| | Remeasurement of defined employee benefit plan | (1.27) | 0.30 | - |
| | Balance as at year end | (0.97) | 0.30 | - |
| TOTAL OTHER EQUITY | | 763.53 | 9.43 | 62.41 |

Nature and purpose of other reserves:**Securities Premium**

The securities premium account is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

Share Options Outstanding Account

The shares options outstanding account is used to recognise the grant date fair value of options issued to employees under stock option scheme of the Company.

Retained Earnings

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

Other Comprehensive Income

Other comprehensive income consist of remeasurement gains / losses on defined benefit plans.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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| | | (Rs in Million) | | |
|-----------|---|----------------------------|----------------------------|--|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| 15 | RESTATED STANDALONE SUMMARY STATEMENT OF BORROWINGS | | | |
| (i) | Borrowings - Non current | | | |
| | Secured Loan from Banks | 4.97 | 1.35 | - |
| | (Secured against hypothecation of vehicle purchased) | | | |
| | | 4.97 | 1.35 | - |
| | Terms of repayment - Repayable in 36 to 60 equal monthly instalments, last instalment falling due on March, 02 2020 to January, 05 2023 | | | |
| | The rate of interest ranges between 8% to 11% p.a. | | | |
| | (The Company has not defaulted in repayment of principal & interest during the year) | | | |
| (ii) | Borrowings - Current | | | |
| | Intercompany Deposits from Related Party (Unsecured) | | | |
| | Anand Rathi Financial Services Limited | - | 245.00 | - |
| | Current Maturity of Secured Loan from Banks | 1.88 | 0.57 | - |
| | | 1.88 | 245.57 | - |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|-----------|--|----------------------------|----------------------------|--|
| | | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
| 16 | RESTATED STANDALONE SUMMARY STATEMENT OF TRADE PAYAB | | | |
| | Total outstanding dues of micro, small and medium enterprises * | - | - | - |
| | Total outstanding dues to other than micro, small and medium enterprises | | | |
| | Accrued Salaries and Benefits | 43.66 | 26.52 | 0.00 |
| | Others | 4.32 | 8.02 | - |
| | | 47.98 | 34.54 | 0.00 |

(Rs. 0.00 million indicates amount less than Rs. 0.01 million)

* 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.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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| | | (Rs in Million) | | |
|---|----------------------------|----------------------------|--|--|
| 17 RESTATED STANDALONE SUMMARY STATEMENT OF OTHER FINAN | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) | |
| Other Financial Liabilities - Current | | | | |
| Option Premium | 374.31 | - | - | |
| Provision for Expenses | 12.81 | 5.12 | 4.75 | |
| | 387.12 | 5.12 | 4.75 | |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|--|----------------------------|----------------------------|--|--|
| 18 RESTATED STANDALONE SUMMARY STATEMENT OF PROVISIONS | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) | |
| Employee Benefit Liabilities - Current | | | | |
| Gratuity Provision (Refer Note no. 22) | 9.02 | - | - | |
| Leave Provision | 13.43 | - | - | |
| Incentive Provision | 229.04 | 75.50 | - | |
| | 251.49 | 75.50 | - | |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|---|----------------------------|----------------------------|--|--|
| 19 RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRI | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) | |
| Statutory Dues | 50.25 | 23.45 | 0.14 | |
| | 50.25 | 23.45 | 0.14 | |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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| | | (Rs in Million) | | |
|----|--|--|--|---|
| 20 | RESTATED STANDALONE SUMMARY STATEMENT OF REVENUE FROM OPERATION | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| | Mutual Fund Distribution Income | 869.36 | 225.48 | - |
| | Income from Distribution & Sale of Financial Product | 646.95 | 142.69 | 4.75 |
| | Gain on Derivative Transaction | 588.63 | 1.30 | - |
| | | 2,104.94 | 369.47 | 4.75 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|----|--|--|--|---|
| 21 | RESTATED STANDALONE SUMMARY STATEMENT OF OTHER INCOME | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| | Interest Income | 27.71 | 8.42 | 1.26 |
| | Gain on sale of Investment | 3.38 | 14.14 | - |
| | Dividend Received | - | 0.57 | 1.20 |
| | Misc and Other Income | 56.84 | - | - |
| | | 87.93 | 23.13 | 2.46 |

(Interest Income, Gain on sale of Investment for FY 2017-18 and Misc and Other income are recurring in nature and Dividend Received and Gain on sale of Investment for FY 2016-17 is non recurring in nature)

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

| | | (Rs in Million) | | |
|----|---|--|--|---|
| 22 | RESTATED STANDALONE SUMMARY STATEMENT OF EMPLOYEE BENEFIT EXPENSES | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| | Salaries, Incentive & Allowances | 946.04 | 312.77 | 0.96 |
| | Contribution to Provident and Other Funds | 48.62 | 15.79 | - |
| | Share based Payments to Employees (Refer Note. 30) | 0.17 | 0.04 | - |
| | Staff Welfare Expenses | 4.16 | 1.65 | - |
| | | 998.99 | 330.25 | 0.96 |

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. The Company was liable under the provisions of The Payment of Gratuity Act, 1972 from the financial year 2016-17.

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Inherent Risk

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

| Particulars | (Rs in Million) | | |
|---|---|---|---|
| | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| 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 | 32.56 | 16.90 | - |
| Less: Fair value of plan assets | 23.54 | 21.79 | - |
| Net Liability/(Asset) | 9.02 | (4.89) | - |
| 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 | 2.93 | 16.90 | - |
| Interest on Defined Benefit Obligations | 1.17 | - | - |
| Expected return on plan assets | (1.58) | - | - |
| Past Service Cost – Vested Benefit recognised during the period | 10.12 | - | - |
| Net Gratuity Cost | 12.64 | 16.90 | - |
| Amount recognized in Other Comprehensive Income (OCI) | | | |
| Amount recognized in OCI in beginning of the period | (0.30) | - | - |
| Remeasurement due to: | | | |
| Effect of Change in financial assumptions | (1.61) | - | - |
| Effect of Change in demographic assumptions | - | - | - |
| Effect of experience adjustments | 3.05 | - | - |
| Actuarial (Gains)/Losses | 1.44 | - | - |
| Return on plan assets (excluding interest) | 0.17 | 0.30 | - |
| Total remeasurements recognized in OCI | 1.27 | (0.30) | - |
| Amount recognized in OCI, End of Period | 0.97 | (0.30) | - |
| Actual Return on Plan Assets : | | | |
| Expected Return on Plan Assets | 1.58 | - | - |
| Actuarial gain/(loss) on Plan Assets | (0.13) | 0.30 | - |
| Actual Return on Plan Assets | 1.45 | 0.30 | - |
| 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 | 16.90 | - | - |
| Current Service Cost | 2.93 | 16.90 | - |
| Interest Cost | 1.17 | - | - |
| Liability Transferred out | - | - | - |
| Actuarial (Gain)/loss | 1.44 | - | - |
| Benefits Paid | - | - | - |
| Past Service Cost | 10.12 | - | - |
| Closing Defined Benefit Obligation | 32.56 | 16.90 | - |
| Change in fair value plan assets: | | | |
| Opening Fair Value of the plan assets | 21.79 | - | - |
| Expected return on plan assets | 1.58 | - | - |
| Actuarial Gain/(loss) | 0.17 | 0.30 | - |
| Contributions by the Employer | - | 21.49 | - |
| Benefits Paid | - | - | - |
| Closing Fair value of the plan assets | 23.54 | 21.79 | - |

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| | | | |
|---|------------------|------------------|----------|
| 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 | 32.56 | 16.90 | - |
| Plan Assets | 23.54 | 21.79 | - |
| Surplus/(deficit) | 9.02 | (4.89) | - |
| Actuarial (Gains)/Losses on Obligations - Due to Experience | 1.44 | - | - |
| Actuarial Gains/(Losses) on Plan Assets - Due to Experience | (0.17) | (0.30) | - |
| Weighted average duration of Define benefit obligation | 12.43 Yrs | 12.74 Yrs | - |
| Maturity profile of defined benefit obligation | | | |
| Within next 12 months | 3.29 | 1.66 | - |
| Between 1 and 5 Years | 8.64 | 4.76 | - |
| Between 5 and 10 Years | 10.23 | 5.49 | - |

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, 2018 the estimated term of liabilities is 12.43 years, corresponding to which YTM on government bonds is 7.70%, after rounding to nearest 0.05%.

Expected rate of return on assets:

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

Salary Escalation Rate:

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

Withdrawal Rate:

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

Mortality Rate

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

General Description fair value of the plan:

The company has insurer Managed Fund.

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| | | | |
|------------------------|--|--|---|
| Discount rate | 7.70% | 7.25% | - |
| Salary Escalation Rate | 5.00% | 5.00% | - |
| Attrition Rate | | | |
| | For Service 4 yrs & below 20% p.a. & service 4 yrs and above 2% p.a | For Service 4 yrs & below 20% p.a. & service 4 yrs and above 2% p.a | |
| Retirement Age | 60 years | 60 years | - |

Sensitivity Analysis

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

| | | | |
|--|--------|--------|---|
| Defined Benefit Obligation (Base) | 32.56 | 16.90 | - |
| Discount Rate | | | |
| Increase by 50 bps | 30.92 | 16.03 | - |
| Impact of increase by 50 bps in Percentage | -5.06% | -5.20% | - |
| Decrease by 50 bps | 34.36 | 17.86 | - |
| Impact of decrease by 50 bps in Percentage | 5.51% | 5.67% | - |
| Salary Growth Rate | | | |
| Increase by 50 bps | 33.10 | 17.04 | - |
| Impact of increase by 50 bps in Percentage | 1.64% | 0.79% | - |
| Decrease by 50 bps | 31.93 | 16.74 | - |
| Impact of decrease by 50 bps in Percentage | -1.93% | -0.97% | - |

| | | | |
|--|------|------|---|
| Expected contribution for the next financial year | 3.29 | 1.66 | - |
|--|------|------|---|

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 20 "Employee Benefit Expenses" of Statement of Profit and Loss towards Company's Contribution to Provident Fund is Rs 38.772 million (FY 2016-17 Rs 14.471 million).

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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| | (Rs in Million) | | |
|--|---|---|---|
| | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| 23 RESTATED STANDALONE SUMMARY STATEMENT OF FINANCE COSTS | | | |
| Interest Paid | 87.28 | 7.81 | 0.03 |
| | 87.28 | 7.81 | 0.03 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and

| | (Rs in Million) | | |
|---|---|---|---|
| | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| 24 RESTATED STANDALONE SUMMARY STATEMENT OF OTHER EXPENSES | | | |
| Business Support Charges | 84.05 | - | 4.20 |
| Manpower Outsource Expenses | 25.47 | - | - |
| Legal & Professional Charges | 7.58 | 1.77 | 0.01 |
| Director Sitting Fees | 0.02 | - | - |
| Electricity Expenses | 3.70 | 0.94 | - |
| Communication Expenses | 5.87 | 1.12 | - |
| Printing and Stationery | 5.67 | 1.95 | - |
| Postage and Telegram | 1.43 | 0.59 | - |
| Rent, Rates and Taxes | 42.61 | 8.62 | - |
| Repairs and Maintainance | 4.24 | 1.21 | - |
| Recruitment & Training | 2.22 | 0.53 | - |
| Business Promotion and Marketing Expenses | 67.80 | 14.96 | - |
| Computer & Software Main. Charges | 3.24 | 0.22 | - |
| Client Claim | 6.74 | 0.24 | - |
| Travelling & Conveyance Expenses | 39.38 | 12.42 | 0.04 |
| Capital Issue Expenses | - | 1.47 | - |
| Auditors Remuneration | | | |
| Audit Fees | 0.50 | 0.15 | 0.01 |
| Reimbursement | - | - | - |
| Others | 0.25 | - | - |
| Donation | 18.02 | 0.65 | - |
| Transaction Charges | 18.86 | 0.31 | - |
| Miscellaneous & General Expenses | 20.57 | 2.24 | 0.03 |
| | 358.22 | 49.39 | 4.29 |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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| 25 RESTATED STANDALONE SUMMARY STATEMENT OF INCOME TAX EXPENSES | (Rs in Million) | | |
|---|---|---|---|
| | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| Current Tax | | | |
| Current tax on profit for the year | 151.94 | 0.95 | 0.23 |
| Adjustments for current tax of prior periods | - | - | - |
| MAT Credit Availed/(Entitlement) | (22.17) | (0.95) | 0.13 |
| Total Current tax expenses | 129.77 | - | 0.36 |
| Deferred Tax | | | |
| Decrease / (Increase) in deferred tax assets | (2.77) | (3.93) | - |
| (Decrease) / Increase in deferred tax liabilities | 82.84 | - | - |
| Total deferred tax expenses / benefit | 80.07 | (3.93) | - |
| Total Income Tax Expenses | 209.84 | (3.93) | 0.36 |
| Effective Tax Rate Reconciliation | | | |
| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) |
| Applicable Tax Rate | 28.84 | 30.90 | 30.90 |
| Profit before tax | 713.20 | 5.06 | 1.94 |
| Tax Expenses as per above rate | 205.69 | 1.56 | 0.60 |
| Tax Impact Due to: | | | |
| Expenses Disallowed | 11.11 | 0.46 | 0.14 |
| Exempt Income | (82.04) | (0.17) | (0.38) |
| Deductions u/s 80G & 35AC | (2.60) | (0.15) | - |
| Carry Forward Business Losses / (Utilised) | (2.39) | 2.56 | - |
| Income for which tax charged at Different rate | - | (4.37) | - |
| On Account of IndAS Adjustments | - | 0.11 | - |
| Total Current Tax | 129.77 | 0.00 | 0.36 |
| Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Other Intangible Assets | (1.67) | (0.24) | - |
| Deferred Tax creation/utilisation of carry forward losses | 2.81 | (3.69) | - |
| Incremental Deferred Tax (Asset) / Liability on account of Financial Assets and Other Items | 78.93 | - | - |
| Total Deferred Tax | 80.07 | (3.93) | - |
| Total Tax Expenses Recognised | 209.84 | (3.93) | 0.36 |
| Effective Tax Rate | 29.42 | (77.56) | 18.61 |

For the Financial Year 2017-18 tax is charged @ 28.84% (i.e. 25% Basic Tax, 12% Surcharge on Basis Tax and 3% Cess on Basic Tax and Surcharge. For the Financial Years 2016-17 and 2015-16 applicable tax rate was 30.90% (i.e. 30% Basic Tax and 3% Cess on Basic Tax). It impacts company favourably and results in reduction of expenses on account of taxation.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****26 RESTATED STANDALONE SUMMARY STATEMENT OF OPERATING SEGMENTS**

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

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to

27 RESTATED STANDALONE SUMMARY STATEMENT OF 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 42.506 million (FY 16-17 Rs 8.563 million, FY 15-16 Rs Nil)

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

| Due | (Rs in million) | | |
|--|------------------|------------------|--------------------------------|
| | As at 31.03.2018 | As at 31.03.2017 | As at 31.03.2016 (Proforma) |
| Not later than 1 year | 44.91 | 20.11 | - |
| Later than 1 year and not later than 5 years | 80.84 | 37.23 | - |
| Later than 5 years | - | - | - |
| Total | 125.75 | 57.34 | - |

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

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to

28 RESTATED STANDALONE SUMMARY STATEMENT OF 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

(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

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

Dilip Balakrishnan, Company Secretary

(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)

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

| Nature of Transaction/Relationship | (Rs in Million) | | |
|---|---|---|---|
| | FOR THE YEAR ENDED MARCH 31, 2018 | FOR THE YEAR ENDED MARCH 31, 2017 | FOR THE YEAR ENDED MARCH 31, 2016 (Proforma) |
| (i) Loan Given | | | |
| Subsidiary | 722.55 | 465.74 | - |
| Other Related Parties | 369.21 | 14.20 | 4.72 |
| (ii) Loan Repayment Received | | | |
| Subsidiary | 593.00 | 264.10 | - |
| Entity of which the Company is an Associate | - | 3.00 | - |
| Other Related Parties | - | 11.20 | 4.72 |

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| | | | | |
|---|-----------|----------|------|--|
| (iii) Loan Taken | | | | |
| Entity of which the Company is an Associate | 15,802.21 | 1,991.19 | - | |
| Other Related Parties | 5,443.36 | 32.50 | 1.08 | |
| (iv) Loan Repaid | | | | |
| Entity of which the Company is an Associate | 16,045.06 | 1,746.19 | - | |
| Other Related Parties | 5,443.36 | 32.50 | 1.08 | |
| (v) Security Deposit Given | | | | |
| Other Related Parties | 3.50 | - | - | |
| (vi) Security Deposit Repayment Received | | | | |
| Other Related Parties | 3.50 | - | - | |
| (vii) Purchase of Debentures | | | | |
| Other Related Parties | 8,749.94 | 274.70 | | |
| (viii) Support Service Given | | | | |
| Subsidiary | 32.29 | - | - | |
| Entity of which the Company is an Associate | - | 83.95 | - | |
| Other Related Parties | 23.74 | - | 4.20 | |
| (ix) Support Service Taken | | | | |
| Subsidiary | 0.60 | - | - | |
| Entity of which the Company is an Associate | 45.87 | 14.35 | | |
| Other Related Parties | 85.96 | | 4.75 | |
| (x) Brokerage Paid | | | | |
| Other Related Parties | 1.92 | 0.04 | - | |
| (xi) Interest Received | | | | |
| Subsidiary | 26.64 | 8.22 | - | |
| Associate | - | 0.13 | - | |
| (xii) Interest Paid | | | | |
| Entity of which the Company is an Associate | 74.68 | 7.81 | - | |
| Other Related Parties | 11.28 | - | 0.03 | |
| (xiii) Sale of Shares | | | | |
| Other Related Parties | - | 56.56 | - | |
| (xiv) Remuneration paid to KMP | | | | |
| Short Term Employee Benefits | 90.55 | 2.01 | - | |
| Share Based Payments | 0.00 | - | - | |
| 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 Million)

| | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
|---|-------------------------|-------------------------|------------------------------------|
| (c) Outstanding Balances | | | |
| (i) Loan | | | |
| Subsidiary | 338.59 | 209.03 | - |
| Other Related Parties | 150.00 | - | - |
| (ii) Borrowings | | | |
| Entity of which the Company is an Associate | - | 245.00 | - |
| (ii) Margin Balance | | | |
| Other Related Parties | 163.08 | 5.02 | - |

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.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION**

| 29 RESTATED STANDALONE SUMMARY STATEMENT OF ACCOUNTING RATIOS | 2017-18 | 2016-17 | 2015-16 (Proforma) |
|--|----------------|----------------|---------------------------|
| (Before Split of equity shares) (Refer 7) | | | |
| Restated Ind AS Standalone Net Profit after tax | 503.36 | 8.99 | 1.57 |
| Restated Ind AS Standalone Net Worth at the end of the year | 897.96 | 139.93 | 64.36 |
| Number of equity shares outstanding at the end of year | 13,443,040 | 13,050,000 | 194,702 |
| Face Value Per Share (in Rs) | 10 | 10 | 10 |
| Weighted Average number of equity shares outstanding during the year | 13,362,922 | 9,687,004 | 6,425,166 |
| Diluted Weighted Average number of equity shares outstanding during the year | 13,626,618 | 9,765,908 | 6,425,166 |
| Earnings Per Share (in Rs) | | | |
| – Basic | 37.67 | 0.93 | 0.24 |
| – Diluted | 36.94 | 0.92 | 0.24 |
| Return on Net Worth % | 56.06% | 6.42% | 2.44% |
| Net Asset Value Per Share | 66.80 | 10.72 | 330.53 |
| RESTATED STANDALONE SUMMARY STATEMENT OF ACCOUNTING RATIOS | | | |
| (After Split of equity shares) (Refer 7) | | | |
| Restated Ind AS Standalone Net Profit after tax | 503.36 | 8.99 | 1.57 |
| Restated Ind AS Standalone Net Worth at the end of the year | 897.96 | 139.93 | 64.36 |
| Number of equity shares outstanding at the end of year | 26,886,080 | 26,100,000 | 389,404 |
| Face Value Per Share (in Rs) | 5 | 5 | 5 |
| Weighted Average number of equity shares outstanding during the year | 26,725,844 | 19,374,008 | 12,850,332 |
| Diluted Weighted Average number of equity shares outstanding during the year | 27,253,237 | 19,531,817 | 12,850,332 |
| Earnings Per Share (in Rs) | | | |
| – Basic | 18.83 | 0.46 | 0.12 |
| – Diluted | 18.47 | 0.46 | 0.12 |
| Return on Net Worth % | 56.06% | 6.42% | 2.44% |
| Net Asset Value Per Share | 33.40 | 5.36 | 165.27 |

1.) The Ratios have been computed as follows:

| | |
|----------------------------------|--|
| a) Earning per share (Basic) = | $\frac{\text{Restated Ind AS Standalone Net Profit after tax}}{\text{Weighted Average number of equity shares outstanding during the year}}$ |
| b) Earning per share (Diluted) = | $\frac{\text{Restated Ind AS Standalone Net Profit after tax}}{\text{Diluted Weighted Average number of equity shares outstanding during the year}}$ |
| c) Return on Net Worth (%) = | $\frac{\text{Restated Ind AS Standalone Net Profit after tax}}{\text{Restated Ind AS Standalone Net Worth at the end of the year}}$ |
| d) Net Assets Value Per Share = | $\frac{\text{Restated Ind AS Standalone Net Worth at the end of the year}}{\text{Number of equity shares outstanding at the end of year}}$ |

2.) In accordance the SEBI Regulations, net worth means "the aggregate value of the paid-up share capital, share premium account, reserves and surplus (excluding revaluation reserve) as reduced by the aggregate value of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account".

3.) Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

4.) The Company does not have any revaluation reserves or extra-ordinary items.

5.) Earnings per share calculations are in accordance with Ind AS 33 - "Earnings per share".

6.) The figures disclosed above are based on the Restated Ind AS Standalone Financial Information of the Company.

7.) 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.

8.) Ind AS 33 "Earnings per Share", requires an adjustment in the calculation of basic and diluted earning per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of share sub-division. The weighted average number of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the Ind AS Standalone financial information.

9.) The Company had issued 62,30,464 Bonus shares in the ratio of 1:32 on August 08, 2016 by capitalising its reserves. Impact of the same has been considered while calculating EPS.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

30 RESTATED STANDALONE SUMMARY STATEMENT OF 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 one equity share 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, 2018 (Nos.) | FOR THE YEAR ENDED MARCH 31, 2017 (Nos.) | FOR THE YEAR ENDED MARCH 31, 2016 (Nos.) (Proforma) |
|---|---|---|--|
| Outstanding at the beginning of the year | 320,000 | - | - |
| Add: Granted during the year | - | 320,000 | - |
| Less: Exercised and shares allotted during the year | 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 | 267,260 | 320,000 | - |
| Exercisable at the end of the year | 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 Period |
|----------------------------------|------------------------|
| 52,740 | 1.1.2017 to 31.12.2017 |
| 11,260 | 1.1.2017 to 31.3.2018 |
| 64,000 | 1.1.2018 to 31.12.2018 |
| 96,000 | 1.1.2019 to 31.12.2019 |
| 96,000 | 1.1.2020 to 31.12.2020 |

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

(Rs in Million)

| Particulars | AS AT MARCH 31, 2018 | AS AT MARCH 31, 2017 | AS AT MARCH 31, 2016 (Proforma) |
|---|---------------------------------|---------------------------------|--|
| Total Carrying Amount | 0.07 | 0.04 | - |
| Amount debited to Profit & Loss account | 0.17 | 0.04 | - |

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.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

31 RESTATED STANDALONE SUMMARY STATEMENT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

32 RESTATED STANDALONE SUMMARY STATEMENT OF CAPITAL MANAGEMENT

For the purpose of the 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 continues as a 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 :

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| | March 31, 2018 | March 31, 2017 | (Rs In million) March 31, 2016 (Proforma) |
|--------------------------------------|----------------|----------------|---|
| Equity | 134.43 | 130.50 | 1.95 |
| Other Equity | 763.53 | 9.43 | 62.41 |
| Total Equity (A) | 897.96 | 139.93 | 64.36 |
| Borrowings | 6.85 | 246.92 | - |
| Total Debt (B) | 6.85 | 246.92 | - |
| Total Debt and Equity (C=A+B) | 904.81 | 386.85 | 64.36 |
| Capital Gearing Ratio (B/C) | 0.01 | 0.64 | - |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

33 CAPITALISATION

| | March 31, 2018 | March 31, 2017 | (Rs In million) March 31, 2016 (Proforma) |
|--------------------------------------|----------------|----------------|---|
| Debt | | | |
| Borrowings | 6.85 | 246.92 | - |
| Total Debt (A) | 6.85 | 246.92 | - |
| Shareholder's Funds (Equity) | | | |
| Equity | 134.43 | 130.50 | 1.95 |
| Other Equity | 763.53 | 9.43 | 62.41 |
| Total Shareholder's Funds (B) | 897.96 | 139.93 | 64.35 |
| Debt / Equity Ratio (A/B) | 0.01 | 1.76 | - |

Note: The corresponding Post IPO Capitalisation data in the above table is not determinable at this stage pending the completion of book building process and hence the same has not been provided in the above statement.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

34 RESTATED STANDALONE SUMMARY STATEMENT OF BUSINESS COMBINATIONS

The company has acquired following equity shares at fair value. Purchase consideration for acquisition of shares in below mentioned entities is 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. 25.20 million and in March 2018 is Rs. 69.03 million. The fair value per share for the aforesaid acquisitions is Rs. 10 and Rs. 256 respectively.

Freedom Wealth Solutions Private Limited (FWSP) is engaged in the business of Wealth Management. The consideration paid for shares of FWSP in Sept 2017 is Rs. 23.72 million. 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% |
| Freedom Wealth Solutions Private Limited | | |
| Sept 25, 2017 | 2,371,625 | 95.01% |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****35 Details of Specified Bank Notes (SBN) held and transacted during the period 08 Nov, 2016 to 30 Dec, 2016 [Refer Statutory requirement under notification no G.S.R 308 (E) of MCA dated 30th March, 2017].**

The above provisions are not applicable for the financial year 2017-18.

The details for the FY 2016-17 are as follows:

(Rs In million)

| Particulars | SBN's | Other Denomination | Total |
|--|--------------|---------------------------|--------------|
| Closing cash in hand as on 08 Nov, 2016 | 0.31 | 0.00 | 0.31 |
| Add : Permitted receipts | - | - | - |
| Less: Permitted Payments | - | (0.00) | (0.00) |
| Less: Amount deposited in Banks | (0.31) | - | (0.31) |
| Closing cash in hand as on 30 Dec, 2016 | - | - | - |

(Rs. 0.00 million indicates amount less than Rs. 0.01 million)

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

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

37 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.**38a** The Company does not have any pending capital commitments as on reporting date.

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers', which replaces Ind AS 11 'Construction Contracts' and Ind AS 18 'Revenue'. Except for the disclosure requirements, the new standard will not materially impact the Company's financial statements. The amendment will come into force from April 01, 2018.

38b**39 RESTATED IND AS STANALONE SUMMARY STATEMENT OF DIVIDEND**

The Company has not declared any dividends during the year ended 31.03.2018, 31.03.2017 and 31.03.2016.

ANNEXURE V

NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

40 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 Million) | | | | | | |
|-----------------------------------|----------|-----------------|---------------------------------|---|---------------------------------|---------------|
| March 31, 2018 | Note No. | Carrying Amount | Fair value | | | Total |
| | | | Quoted prices in active markets | Significant observable inputs (Level 2) | Significant unobservable inputs | |
| Financial assets | | | | | | |
| FVTPL | | | | | | |
| (i) Mutual Fund | | 500.81 | 500.81 | - | - | 500.81 |
| (i) Unquoted Debentures | | 58.85 | | 58.85 | | 58.85 |
| Amortised Cost | | | | | | |
| (i) Loans | | 488.59 | - | - | - | - |
| (ii) Security Deposit | | 23.53 | | | | - |
| (iii) Trade receivables | | 104.55 | - | - | - | - |
| (iv) Cash and cash equivalents | | 3.41 | - | - | - | - |
| (v) Margin on Options | | 163.08 | | | | - |
| (vi) Other Financial Assets | | 2.50 | - | - | - | - |
| | | 1,345.32 | 500.81 | 58.85 | - | 559.66 |
| Financial liabilities | | | | | | |
| FVTPL | | | | | | |
| (i) Option Premium | | 374.31 | - | 374.31 | | 374.31 |
| Amortised Cost | | | | | | |
| (i) Borrowings | | 6.85 | - | - | - | - |
| (ii) Trade payables | | 47.98 | - | - | - | - |
| (iii) Other Financial Liabilities | | 12.81 | - | - | - | - |
| | | 441.95 | - | 374.31 | - | 374.31 |

Note 1 - Investment in Equity Shares of Subsidiaries of Rs. 117.94 million have been measured at cost

| (Rs in Million) | | | | | | |
|--------------------------------|----------|-----------------|---|---|---|----------|
| March 31, 2017 | Note No. | Carrying Amount | Fair value | | | Total |
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Financial assets | | | | | | |
| FVTPL | | | | | | |
| (i) Option Premium | | 83.95 | - | 83.95 | - | - |
| Amortised Cost | | | | | | |
| (i) Loans | | 209.03 | - | - | - | - |
| (ii) Security Deposit | | 10.61 | | | | - |
| (iii) Trade receivables | | 73.66 | - | - | - | - |
| (iv) Cash and cash equivalents | | 22.65 | - | - | - | - |
| (v) Margin on Options | | 5.02 | | | | - |
| | | 404.92 | - | 83.95 | - | - |

ANNEXURE V

NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

Financial liabilities

Amortised Cost

| | | | | | |
|-----------------------------------|---------------|---|---|---|---|
| (i) Borrowings | 246.92 | - | - | - | - |
| (ii) Trade payables | 34.54 | - | - | - | - |
| (iii) Other Financial Liabilities | 5.12 | - | - | - | - |
| | 286.58 | - | - | - | - |

Note 2 - Investment in Equity Shares of Subsidiaries of Rs. 25.20 million have been measured at cost

(Rs in Million)

| March 31, 2016 (Proforma) | Note No. | Carrying Amount | Fair value | | | Total |
|-----------------------------------|----------|--------------------|--|---|--|-------|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| Financial assets | | | | | | |
| FVTPL (Refer note 3 below) | | | | | | |
| (i) Investments | | 42.42 | - | - | - | - |
| Amortised Cost | | | | | | |
| (i) Trade receivables | | 4.90 | - | - | - | - |
| (ii) Cash and cash equivalents | | 5.44 | - | - | - | - |
| | | 52.76 | - | - | - | - |
| Financial liabilities | | | | | | |
| Amortised Cost | | | | | | |
| (i) Trade payables | | 0.00 | - | - | - | - |
| (ii) Other Financial Liabilities | | 4.75 | - | - | - | - |
| | | 4.75 | - | - | - | - |

Note 3 - The Company has an investment in equity shares of Rs. 42.42 million in BSE. Due to insufficient information available to measure the Fair value of these equity share, the cost is considered as an appropriate estimate of fair value, in accordance with para B5.2.3 to Ind AS 109 "Financial Instruments".

- (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.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****41 Financial instruments – Risk management****Risk management framework**

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

Liquidity risk

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

Exposure to liquidity risk

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

| March 31, 2018 | Contractual cash flows (Rs in Million) | | | | | |
|----------------------------------|---|--------|-----------|--------------------|-------------|-----------|
| | Carrying amount | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 6.85 | 6.85 | - | 0.46 | 1.43 | 4.97 |
| Trade Payables | 47.98 | 47.98 | - | 47.98 | - | - |
| Other Financial Liabilities | 387.12 | 387.12 | 374.31 | 12.81 | - | - |
| March 31, 2017 | Contractual cash flows (Rs in Million) | | | | | |
| | Carrying amount | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | 246.92 | 246.92 | 245.00 | 0.14 | 0.43 | 1.35 |
| Trade Payables | 34.54 | 34.54 | - | 34.54 | - | - |
| Other Financial Liabilities | 5.12 | 5.12 | - | 5.12 | - | - |
| March 31, 2016 (Proforma) | Contractual cash flows (Rs in Million) | | | | | |
| | Carrying amount | Total | On Demand | Less than 3 months | 3-12 months | 1-5 years |
| Borrowings | - | - | - | - | - | - |
| Trade Payables | 0.00 | 0.00 | - | 0.00 | - | - |
| Other Financial Liabilities | 4.75 | 4.75 | - | 4.75 | - | - |

Credit risk

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

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

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

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

| | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) |
|----------------------------------|-------------------|-------------------|---------------------------------|
| Loans | 488.59 | 209.03 | - |
| Security Deposit | 23.53 | 10.61 | - |
| Trade Receivables | 104.55 | 73.66 | 4.90 |
| Investment in Debentures | 58.85 | - | - |
| Investment in Mutual Funds | 500.81 | - | - |
| Option Premium | - | 83.95 | - |
| Margin Balance with Broker | 163.08 | 5.02 | - |
| Fixed Deposits with Banks | 2.50 | - | - |
| Bank Balances in Current Account | 2.11 | 22.09 | 5.24 |

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, 2018 | March 31, 2017 | March 31, 2016 (Proforma) |
|------------------------------|-------------------|-------------------|---------------------------------|
| Investment in Other Entities | - | - | 42.42 |

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.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

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ANNEXURE V
NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

| 42 Restated Ind AS Standalone Summary Statement of Tax Shelter | | (In Millions) | | |
|---|----------------|----------------|------------------------------|--|
| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 (Proforma) | |
| A Restated Profit before tax | 713.20 | 5.06 | 1.94 | |
| B Applicable Tax Rate | 28.84 | 30.90 | 30.90 | |
| C Tax using the Company's statutory tax rate (A*B) | 205.69 | 1.56 | 0.60 | |
| Adjustments | | | | |
| <u>Tax impact of permanent differences due to:</u> | | | | |
| Expenses Disallowed | 11.11 | 0.46 | 0.14 | |
| Exempt Income | (82.04) | (0.17) | (0.38) | |
| Deductions u/s 80G & 35AC | (2.60) | (0.15) | - | |
| Carry Forward Business Losses / (Utilised) | (2.39) | 2.56 | - | |
| Income for which tax charged at Different rate | - | (4.37) | - | |
| On Account of IndAS Adjustments | - | 0.11 | - | |
| D Total tax impact of permanent differences | (75.92) | (1.56) | (0.24) | |
| <u>Tax impact of temporary differences</u> | | | | |
| Incremental Deferred Tax Assets on account of Property, Plant and Equipment and Other Intangible Assets | (1.67) | (0.24) | - | |
| Deferred Tax creation/utilisation of carry forward losses | 2.81 | (3.69) | - | |
| Incremental Deferred Tax (Asset) / Liability on account of Financial Assets and Other Items | 78.93 | | - | |
| E Tax impact of temporary differences | 80.07 | (3.93) | - | |
| F Net Adjustments (D+E) | 4.15 | (5.49) | (0.24) | |
| G Current Tax (C+D) | 129.77 | 0.00 | 0.36 | |
| H Deferred Tax | 80.07 | (3.93) | - | |
| I Total Tax (G+H) | 209.84 | (3.93) | 0.36 | |

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

43 Restated Ind AS Standalone Summary Statement of Material adjustments

Summarised below are the restatement adjustments made to the audited standalone financial statements for the year ended March 31, 2018, March 31, 2017 and March 31, 2016 and their impact on the profit of the Group:

(Rs in Million)

| Particulars | March 31, 2018 | March 31, 2017 | March 31, 2016 |
|---|----------------|----------------|----------------|
| Profit after tax (as per Audited Stanalone Financial Statements) - (i) | 503.36 | 8.61 | 1.57 |
| Restatement Adjustments: | | | |
| Tax Adjustments of previous year | 0.00 | 0.38 | 0.00 |
| Total Impact of Restatement Adjustment - (ii) | 0.00 | 0.38 | 0.00 |
| Profit after tax (As Restated) (iii)=(i)+(ii) | 503.36 | 8.99 | 1.57 |

Opening Reserve Reconciliation

| Particulars | (In Million) |
|---|---------------|
| Surplus in the Statement of Profit and Loss as at April 1, 2013 (as per Audited Standalone Financial Statements) - (i) | 50.88 |
| Adjustment on account of Restatements:- | |
| Tax adjustments of earlier years | |
| Tax Expenses in FY 2013-14 relates to earlier year | (0.07) |
| Tax Expenses in FY 2014-15 relates to earlier year | (0.15) |
| Tax Expenses in FY 2016-17 relates to earlier year | (0.38) |
| Total Impact of Restatement Adjustment - (ii) | (0.60) |
| Surplus in the Statement of Profit and Loss as at April 1, 2013 (As Restated) (iii)=(i)+(ii) | 50.28 |

(Rs. 0.00 million indicates amount less than Rs. 0.01 million)

Note: Tax adjustment for prior years - During the year ended March 31, 2017, the Company had recorded certain tax expenses of prior years in the statement of profit and loss. These have been adjusted in the years to which it relates.

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NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

44 Restated Ind AS Standalone Summary Statement of Non adjusting items :

Certain information on deposit of tax dues and disputed tax dues in the Annexure to Auditors' Reports in terms of Companies (Auditor's Report) Order, 2003, as amended, for the years ended March 31, 2018, which do not require any corrective adjustment in the Restated Ind AS Standalone Financial Information are as follows:

March 31, 2018

Clause VIII (a) of the CARO

The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

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NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION

45 Restated Ind AS Standalone Summary Statement of Subsequent Events

(i) 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.

(ii) Mr. Amol Bhabal was appointed as the Chief Financial Officer of the Company effective 01 October 2017, who resigned subsequently. Mr. Rajesh Bhutra was appointed as the Chief Financial Officer of the Company effective from 10 July 2018.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****46 Ind AS: Transition to Ind AS:**

The restated financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared in accordance with Ind AS. Earlier the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

The Company has prepared the opening Ind AS Balance Sheet as on April 1, 2015 (the "transition date") by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2017 and March 31, 2016 and how the transition from IGAAP to Ind AS has affected the Company's financial position and financial performance. Ind AS 101 allows the first time adopters certain exemptions from the retrospective application of the certain requirements under Ind AS.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****Reconciliation of equity as at transition date (1 April 2015)***

| | Note | Indian GAAP | Ind AS Adjustments | Restated Adjustment (Refer Annexure 43) | Ind AS |
|-------------------------------------|------|--------------|--------------------|---|--------------|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | | - | - | - | - |
| Capital work in progress | | - | - | - | - |
| Intangible assets | | - | - | - | - |
| Financial Assets | | | | | |
| - Investments | | 42.42 | - | - | 42.42 |
| - Other Financial assets | | - | - | - | - |
| Current Tax Assets (net) | | 0.33 | - | (0.33) | - |
| Deferred Tax Assets | | 0.00 | - | - | 0.00 |
| | | 42.75 | - | (0.33) | 42.42 |
| Current Assets | | | | | |
| Financial Assets | | | | | |
| - Investments | | - | - | - | - |
| - Loans | | - | - | - | - |
| - Trade Receivables | | 5.09 | - | - | 5.09 |
| - Cash and cash equivalents | | 0.29 | - | - | 0.29 |
| - Other financial assets | | - | - | - | - |
| Other Current Assets | | 15.12 | - | - | 15.12 |
| | | 20.50 | - | - | 20.50 |
| TOTAL ASSETS | | 63.25 | - | (0.33) | 62.92 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | | 1.95 | - | - | 1.95 |
| Other Equity | | 61.22 | - | (0.38) | 60.84 |
| Total Equity | | 63.17 | - | (0.38) | 62.79 |
| Liabilities | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | - | - | - | - |
| - Borrowings | | - | - | - | - |
| - Other Financial Liabilities | | - | - | - | - |
| Deferred Tax Liabilities | | - | - | - | - |
| | | - | - | - | - |
| Current Liabilities | | | | | |
| Financial liabilities | | | | | |
| - Borrowings | | - | - | - | - |
| - Trade Payables | | 0.05 | - | - | 0.05 |
| - Other Financial Liabilities | | 0.01 | - | - | 0.01 |
| Provisions (Current) | | - | - | - | - |
| Other Current Liabilities | | 0.02 | - | 0.05 | 0.07 |
| Total Liabilities | | 0.08 | - | 0.05 | 0.13 |
| TOTAL EQUITY AND LIABILITIES | | 63.25 | - | (0.33) | 62.92 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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ANNEXURE V
NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION
Reconciliation of equity as at transition date March 31, 2016*

| | | Indian GAAP | Ind AS Adjustments | Restated Adjustment (Refer Annexure 43) | Ind AS |
|-------------------------------------|-------|--------------|--------------------|---|--------------|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | | - | - | - | - |
| Capital work in progress | | - | - | - | - |
| Other Intangible assets | | - | - | - | - |
| Financial Assets | | | | | |
| - Investments | | 42.42 | - | - | 42.42 |
| - Other Financial assets | | - | - | - | - |
| Current Tax Assets (net) | | 0.83 | - | (0.38) | 0.45 |
| Deferred Tax Assets | | - | - | - | - |
| | | 43.25 | - | (0.38) | 42.87 |
| Current Assets | | | | | |
| Financial Assets | | | | | |
| - Investments | | - | - | - | - |
| - Loans | | - | - | - | - |
| - Trade Receivables | | 4.90 | - | - | 4.90 |
| - Cash and cash equivalents | | 5.44 | - | - | 5.44 |
| - Other financial assets | | - | - | - | - |
| Other Current Assets | | 16.04 | - | - | 16.04 |
| | | 26.38 | - | - | 26.38 |
| TOTAL ASSETS | | 69.63 | - | (0.38) | 69.25 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | | 1.95 | - | - | 1.95 |
| Other Equity | 2,3&5 | 62.79 | - | (0.38) | 62.41 |
| Total Equity | | 64.74 | - | (0.38) | 64.36 |
| Liabilities | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | | - | - | - | - |
| Deferred Tax Liabilities | | - | - | - | - |
| | | - | - | - | - |
| Current Liabilities | | | | | |
| Financial liabilities | | | | | |
| - Borrowings | | - | - | - | - |
| - Trade Payables | | 0.00 | - | - | 0.00 |
| - Other Financial Liabilities | | 4.75 | - | - | 4.75 |
| Provisions (Current) | | - | - | - | - |
| Other Current Liabilities | | 0.14 | - | - | 0.14 |
| Total Liabilities | | 4.89 | - | - | 4.89 |
| TOTAL EQUITY AND LIABILITIES | | 69.63 | - | (0.38) | 69.25 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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ANNEXURE V
NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION
Reconciliation of equity as at 31 March 2017*

| | | Indian GAAP | Adjustments | Restated Adjustment (Refer Annexure 43) | Ind AS |
|-------------------------------------|-------|---------------|---------------|--|---------------|
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | | 7.01 | | - | 7.01 |
| Capital work in progress | | - | | - | - |
| Other Intangible assets | | 62.94 | | - | 62.94 |
| Financial Assets | | | | | |
| - Investments | | 25.20 | | - | 25.20 |
| - Loan | 4 | 13.04 | (2.43) | - | 10.61 |
| - Other Financial assets | | - | | - | - |
| Income Tax Assets (net) | | 15.72 | | - | 15.72 |
| Deferred Tax Assets | | 3.93 | | - | 3.93 |
| | | 127.84 | (2.43) | - | 125.41 |
| Current Assets | | | | | |
| Financial Assets | | | | | |
| - Loans | | 209.03 | | | 209.03 |
| - Trade Receivables | | 73.66 | | | 73.66 |
| - Cash and cash equivalents | | 22.65 | | | 22.65 |
| - Other financial assets | | 88.97 | | | 88.97 |
| Other Current Assets | 4 | 3.32 | 2.42 | | 5.74 |
| | | 397.63 | 2.42 | - | 400.05 |
| TOTAL ASSETS | | | | | |
| | | 525.47 | (0.01) | - | 525.46 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Equity share capital | | 130.50 | | | 130.50 |
| Other Equity | 2,3&5 | 9.44 | (0.01) | | 9.43 |
| Total Equity | | 139.94 | (0.01) | - | 139.93 |
| Liabilities | | | | | |
| Non-Current Liabilities | | | | | |
| Financial Liabilities | | | | | |
| - Borrowings | | 1.35 | - | | 1.35 |
| Deferred Tax Liabilities | | - | | | - |
| | | 1.35 | - | - | 1.35 |
| Current Liabilities | | | | | |
| Financial liabilities | | | | | |
| - Borrowings | | 245.57 | | | 245.57 |
| - Trade Payables | | 34.54 | | | 34.54 |
| - Other Financial Liabilities | | 5.12 | | | 5.12 |
| Provisions (Current) | | 75.50 | | | 75.50 |
| Other Current Liabilities | | 23.45 | | | 23.45 |
| Total Liabilities | | 384.18 | - | - | 384.18 |
| TOTAL EQUITY AND LIABILITIES | | | | | |
| | | 525.47 | (0.01) | - | 525.46 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****Reconciliation of total comprehensive income for the year ended 31 March 2016***

| | Indian GAAP | Adjustments | Restated Adjustment (Refer Annexure 43) | Ind AS |
|--|-------------|-------------|--|-------------|
| Revenue From Operation | 4.75 | - | | 4.75 |
| Other Income | 2.46 | - | | 2.46 |
| Total Revenue | 7.21 | - | - | 7.21 |
| Expenses: | | | | |
| Employee Benefit Expenses | 0.96 | - | | 0.96 |
| Finance Costs | 0.03 | - | | 0.03 |
| Depreciation and Amortisation Expenses | - | - | | - |
| Operational & Other Expenses | 4.29 | - | | 4.29 |
| Total Expenses | 5.28 | - | - | 5.28 |
| Profit/(Loss) Before Tax | 1.93 | - | - | 1.93 |
| Tax Expenses: | | | | |
| 1. Current Tax | 0.36 | - | | 0.36 |
| 2. Deferred Tax | - | - | | - |
| TOTAL TAX EXPENSES | 0.36 | - | - | 0.36 |
| Profit/(Loss) for the Year | 1.57 | - | - | 1.57 |
| Other Comprehensive Income/(Loss) | | | | |
| (A) (i) Items that will not be reclassified to profit or loss | | | | |
| (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) | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1.57 | - | - | 1.57 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****Reconciliation of total comprehensive income for the year ended 31 March 2017***

| | | Indian GAAP | Adjustments | Restated Adjustment (Refer Annexure 43) | Ind AS |
|--|---|---------------|---------------|--|---------------|
| Revenue From Operation | | 369.47 | - | | 369.47 |
| Other Income | 4 | 23.07 | 0.06 | | 23.13 |
| Total Revenue | | 392.54 | 0.06 | - | 392.60 |
| Expenses: | | | | | |
| Employee Benefit Expenses | 3 | 329.91 | 0.34 | | 330.25 |
| Finance Costs | | 7.81 | | | 7.81 |
| Depreciation and Amortisation Expenses | | 0.09 | | | 0.09 |
| Operational & Other Expenses | 4 | 49.33 | 0.06 | | 49.39 |
| Total Expenses | | 387.14 | 0.40 | - | 387.54 |
| Profit/(Loss) Before Tax | | 5.40 | (0.34) | - | 5.06 |
| Tax Expenses: | | | | | |
| 1. Current Tax | | 0.38 | | (0.38) | - |
| 2. Deferred Tax | | (3.93) | | | (3.93) |
| TOTAL TAX EXPENSES | | (3.55) | - | (0.38) | (3.93) |
| Profit/(Loss) for the Year | | 8.95 | (0.34) | 0.38 | 8.99 |
| Other Comprehensive Income/(Loss) | | | | | |
| (A) (i) Items that will not be reclassified to profit or loss | 2 | - | 0.30 | | 0.30 |
| (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) | | - | 0.30 | - | 0.30 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 8.95 | (0.04) | 0.38 | 9.29 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Reconciliation of Cash Flow Statement at 31 March 2017*

| | | Indian GAAP | Adjustments | Restated Adjustment (Refer Annexure 43) | Ind AS |
|---|--|--------------|-------------|--|--------------|
| Net Cash Flow from Operating Activities | | (49.36) | (0.05) | - | (49.41) |
| Net Cash Flow from Investing Activities | | (238.79) | 0.05 | - | (238.74) |
| Net Cash Flow from Financing Activities | | 305.36 | - | - | 305.36 |
| Net increase/(decrease) in Cash and Cash equivalents | | 17.21 | 0 | 0 | 17.21 |
| Cash and cash equivalents as at April 01, 2016 | | 5.44 | 0 | 0 | 5.44 |
| Cash and cash Equivalents as at March 31, 2017 | | 22.65 | 0 | 0 | 22.65 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(Rs. 0.00 million indicates amount less than Rs. 0.01 million)

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE V**NOTES TO RESTATED IND AS STANDALONE FINANCIAL INFORMATION****Notes to first time adoption****1) Fair Valuation of Investment**

Under the previous GAAP, investments in equity instruments, debentures and mutual funds were classified as long term investments or current investments based on the intended holding period and reliability. Long term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss.

2) Defined Benefit Liability

Under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, were charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to Other Comprehensive Income.

3) Share based payment

Under the previous GAAP, the cost of equity settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share based plan is recognised based on the fair value of the options as at the grant date over the vesting period.

4) Financial Instruments - Security Deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financials assets are required to be recognised at fair value. Accordingly, Company has fair valued these security deposits under Ind AS.

5) Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note: The figures disclosed above are based on the restated Ind AS Standalone Financial information of the Company. The above statement should be read with Notes to Restated Ind AS Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure V - 1 and 2, information appearing from Annexure V - 3 to Annexure V - 46.

As per our attached report of even date.

For and on Behalf of Board of Directors

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

| | |
|--------------------------|---|
| Amit Rathi | Rakesh Rawal |
| Managing Director | Director & Chief Executive Officer |
| DIN : 00029791 | DIN : 02839168 |

Hasmukh B Dedhia
Partner
Membership No: F-033494
Mumbai
September 1, 2018

| | |
|---------------------------|--------------------------------|
| Dilip Balakrishnan | Rajesh Bhutra |
| Company Secretary | Chief Financial Officer |

To,
The Board of Directors,
Anand Rathi Wealth Services Limited
(Formerly known as A R Venture Funds Management Limited)
4th Floor, Silver Metropolis,
Jaicoach Compound,
Opposite Bimbisar Nagar,
Goregaon(East),
Mumbai - 400063.

Auditor's Report on Restated Previous GAAP Standalone Financial Information as at and for the years ended March 31, 2015 and March 31, 2014 in connection with the Public Offering of Anand Rathi Wealth Services Limited (formerly known as A R Venture Funds Management Limited)

Dear Sirs,

- 1) We have examined the attached Restated Previous GAAP Standalone Financial Information of Anand Rathi Wealth Services Limited (formerly known as A R Venture Funds Management Limited) (the "Company") which comprise of the restated Previous GAAP standalone summary statement of assets and liabilities as at March 31, 2015 and March 31, 2014, the restated Previous GAAP standalone summary statement of profit and loss and the restated Previous GAAP standalone summary statement of cash flows for the years ended March 31, 2015 and March 31, 2014 read together with summary of significant accounting policies, annexures and notes thereto and other restated Previous GAAP financial information described in paragraph 6 below (collectively, together with the notes and annexures thereto, referred to as the "Restated Previous GAAP Standalone Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offering (the "IPO") and offer for sale("OFS") (collectively "the public offering"). The Restated Previous GAAP Standalone Financial Information have been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act") as amended and
 - b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "SEBI ICDR Regulations")
- 2) The preparation of the Restated Previous GAAP Standalone Financial Information is the responsibility of Board of Directors and management of the Company for the purpose set out in paragraph 10 below. The Said responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Previous GAAP Standalone Financial Information. Management is also responsible for identifying and ensuring that the Company complies with the Companies Act and the SEBI ICDR Regulations.
- 3) We have examined such Restated Previous GAAP Standalone Financial Information taking into consideration:
 - a. Terms of reference and terms of our engagement agreed upon with the Company in accordance with our engagement letter dated February 12, 2018 in connection with the proposed public offering by the Company; and

- b. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") as amended from time to time ("the Guidance Note").
- 4) The Restated Previous GAAP Standalone Financial Information have been compiled by management of the Company from the audited standalone financial statements of the Company as at and for the years ended March 31, 2015 and March 31, 2014 prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, which have been approved by the Board of Directors of the Company at its meeting held on July 6, 2015 and August 25, 2014 respectively.

The audits of the standalone financial statements of the Company for the financial years ended March 31, 2015 and March 31, 2014 were conducted and reported upon by the previous auditors Shraavan Gandhi & Associates, Chartered Accountants, Mumbai ("the previous auditors") and the reliance has been placed on the Auditor's Report issued by them dated 6 July 2015 and 25 August 2014 respectively. The financial report included for these years are based solely on the report submitted by them.

- 5) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:
- a. The restated Previous GAAP standalone summary statement of assets and liabilities of the Company as at March 31, 2015 and March 31, 2014 examined by us, as set out in Annexure I of the Restated Previous GAAP Standalone Financial Information to this report, have been arrived at after making regroupings/reclassifications as in our opinion, were appropriate and more fully described in Annexure IV - 23 to the Restated Previous GAAP Standalone Financial Information.
 - b. The restated Previous GAAP standalone summary statement of profit and loss of the Company for the years ended March 31, 2015 and March 31, 2014 examined by us, as set out in Annexure II of the Restated Previous GAAP Standalone Financial Information to this report, have been arrived at after making regroupings/reclassifications as in our opinion, were appropriate and more fully described in Annexure IV - 23 to the Restated Previous GAAP Standalone Financial Information.
 - c. The restated Previous GAAP standalone summary statement of cash flows of the Company for the years ended March 31, 2015 and March 31, 2014 examined by us, as set out in Annexure III of the Restated Previous GAAP Standalone Financial Information to this report, have been arrived at after making regroupings/reclassifications as in our opinion, were appropriate and more fully described in Annexure IV - 23 to the Restated Previous GAAP Standalone Financial Information.
 - d. Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditors as referred to in paragraph 4 above, we further report that the Restated Previous GAAP Standalone Financial Information:
 - i. do not contain any adjustment due to change in the accounting policy, since there are no change in accounting policies;
 - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;
 - iii. do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Previous GAAP Standalone Financial Information in the respective financial years; and

- 6) do not contain any qualification as at and for the year ended March 31, 2015 and March 31, 2014 which requires adjustments. We have also examined the following other Restated Previous GAAP standalone financial information of the Company set out in the Annexures prepared by its management and approved by the Board of Directors of the Company at its meeting held on September 1, 2018 for the years ended March 31, 2015 and March 31, 2014:

Annexure IV -2 - Restated Previous GAAP Standalone Summary Statement of Share Capital
Annexure IV -3 - Restated Previous GAAP Standalone Summary Statement of Reserves and Surplus
Annexure IV -4 - Restated Previous GAAP Standalone Summary Statement of Other Current Liability provisions and Other long term liabilities
Annexure IV -5- Restated Previous GAAP Standalone Summary Statement of Non-Current Investments
Annexure IV -6 - Restated Previous GAAP Standalone Summary Statement of Deferred tax Assets
Annexure IV -7 - Restated Previous GAAP Standalone Summary Statement of Long- term Loans and Advances
Annexure IV -8- Restated Previous GAAP Standalone Summary Statement of Trade Receivables
Annexure IV -9 - Restated Previous GAAP Standalone Summary Statement of Short-term Loans and Advances
Annexure IV -10 - Restated Previous GAAP Standalone Summary Statement of Cash and Cash Equivalents
Annexure IV -11 – Restated Previous GAAP Standalone Summary Statement of Other Current Assets
Annexure IV -12 - Restated Previous GAAP Standalone Summary Statement of Revenue from operations
Annexure IV -13 - Restated Previous GAAP Standalone Summary Statement of Other Income
Annexure IV -14 - Restated Previous GAAP Standalone Summary Statement of Employee Benefit Expenses
Annexure IV -15 - Restated Previous GAAP Standalone Summary Statement of Operational and Other Expenses
Annexure IV -16 - Restated Previous GAAP Standalone Summary Statement of Segment Reporting
Annexure IV -17 - Restated Previous GAAP Standalone Summary Statement of Related Party Disclosure
Annexure IV -18 - Restated Previous GAAP Standalone Summary Statement of Accounting Ratios
Annexure IV -19 – Restated Previous GAAP Standalone Summary statement of Capitalisation
Annexure IV -21 – Restated Previous GAAP Standalone Summary statement of Dividend
Annexure IV -22 - Restated Previous GAAP Standalone Statement of Tax Shelter
Annexure IV -23- Restated previous GAAP Standalone Summary Statement of Material Adjustments
Annexure IV- 24- Restated previous GAAP Standalone Summary Statement of Subsequent Events

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous Auditors, in our opinion, the Restated Previous GAAP Standalone Financial Information of the Company as at and for the years ended March 31, 2015 and March 31, 2014, and the above mentioned other restated Previous GAAP standalone financial information contained in Annexure IV - 2 to Annexure IV - 24 of the Restated Previous GAAP Standalone Financial Information accompanying this report, read with restated summary of significant accounting policies disclosed in Annexure IV - 1 of the Restated Previous GAAP Standalone Financial Information have been prepared after making regroupings/reclassifications as considered appropriate as disclosed in Annexure IV - 23 , and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

- 7) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- 8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the standalone financial statements referred to herein.
- 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 10) Our report is intended solely for use of management for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, to be filed with the Securities and Exchange Board of India, the National Stock Exchange of India Limited, BSE Limited where the equity shares are proposed to be listed and Registrar of Companies, Maharashtra situated in Mumbai in connection with the proposed public offering by the Company. Our report should not be used, referred to or distributed to any other person for any other purpose except with our prior consent in writing.

For and on behalf of
Khimji Kunverji & Co
Chartered Accountants
(Firm's Registration No:105146W)

Hasmukh B. Dedhia
Partner (F-33494)

Place: Mumbai
Dated: September 1, 2018

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE I**RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

(In million)

| PARTICULARS | ANNEXURE | AS AT MARCH 31, 2015 | AS AT MARCH 31, 2014 |
|--------------------------------------|----------|----------------------|----------------------|
| I | | | |
| <u>EQUITY AND LIABILITIES</u> | | | |
| 1 | | | |
| <u>Share Holders' Funds</u> | | | |
| (a) Share Capital | IV - 2 | 1.95 | 1.95 |
| (b) Reserves and Surplus | IV - 3 | 60.84 | 60.97 |
| | | 62.79 | 62.92 |
| 2 | | | |
| <u>Current Liabilities</u> | | | |
| (a) Other Current Liabilities | IV - 4 | 0.13 | 0.12 |
| | | 0.13 | 0.12 |
| TOTAL | | 62.92 | 63.04 |
| II | | | |
| <u>ASSETS</u> | | | |
| 1 | | | |
| <u>Non-Current Assets</u> | | | |
| (a) Non-Current Investments | IV - 5 | 42.42 | 52.42 |
| (b) Deferred Tax Assets (Net) | IV - 6 | - | 0.99 |
| (c) Long-Term Loans and Advances | IV - 7 | - | 0.39 |
| | | 42.42 | 53.80 |
| 2 | | | |
| <u>Current Assets</u> | | | |
| (a) Trade Receivables | IV - 8 | 5.09 | 5.09 |
| (b) Short Term Loans and Advances | IV - 9 | 14.54 | 0.54 |
| (c) Cash and Cash Equivalents | IV - 10 | 0.29 | 2.18 |
| (d) Other Current Assets | IV - 11 | 0.58 | 1.43 |
| | | 20.50 | 9.24 |
| TOTAL | | 62.92 | 63.04 |

Note: The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

As per our attached report of even date.

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants

Firm Reg No.105146W

Hasmukh B Dedhia
Partner
Membership No: F-033494
Place: Mumbai
Date: September 1, 2018

Amit Rathi
Managing Director
DIN : 00029791

Dilip Balakrishnan
Company Secretary

Rakesh Rawal
Director & Chief Executive
Officer
DIN : 02839168

Rajesh Bhutra
Chief Financial Officer

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

ANNEXURE II
RESTATED PREVIOUS GAAP SUMMARY STATEMENT OF PROFIT & LOSS

(In million)

| PARTICULARS | ANNEXURE | FOR THE YEAR ENDED MARCH 31, 2015 | FOR THE YEAR ENDED MARCH 31, 2014 |
|--|----------|-----------------------------------|-----------------------------------|
| I Revenue From Operation | IV - 12 | - | 5.03 |
| II Other Income | IV - 13 | 1.79 | 4.94 |
| Total Revenue | | 1.79 | 9.97 |
| III Expenses: | | | |
| Employee Benefit Expenses | IV - 14 | 0.86 | 4.53 |
| Operational & Other Expenses | IV - 15 | 0.03 | 2.44 |
| Total Expenses | | 0.89 | 6.97 |
| IV Profit/(Loss) Before Tax | | 0.90 | 3.00 |
| V Tax Expenses: | | | |
| 1. Current Tax | | 0.11 | 0.51 |
| 2. MAT Credit Availed/(Entitlement) | | (0.07) | (0.51) |
| 3. Deferred Tax | | 0.99 | 0.06 |
| VI Profit/(Loss) for the Year | | (0.13) | 2.94 |
| VII Earning Per Equity Share: (In Rs.) | IV - 18 | | |
| Basic | | (0.01) | 0.23 |
| Diluted | | (0.01) | 0.23 |

Note: The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

As per our attached report of even date.

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants

Firm Reg No.105146W

Hasmukh B Dedhia
Partner
Membership No: F-033494
Place: Mumbai
Date: September 1, 2018

Amit Rathi
Managing Director

DIN : 00029791

Dilip Balakrishnan
Company Secretary

Rakesh Rawal
Director & Chief Executive Officer

DIN : 02839168

Rajesh Bhutra
Chief Financial Officer

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

ANNEXURE III

RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF CASH FLOW

(In million)

| | 2014-15 | 2013-14 |
|---|----------------|---------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | 0.90 | 3.00 |
| Add / (Less) : | | |
| Interest Income | (0.50) | (0.98) |
| Dividend | (0.57) | (0.57) |
| Profit on Sale of Investments | (0.72) | (3.38) |
| | (1.79) | (4.93) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | (0.89) | (1.93) |
| Adjustment for : | | |
| Trade and other Receivables | (13.15) | (5.65) |
| Trade Payable & Other Current Liabilities | (0.05) | (0.12) |
| | (13.20) | (5.77) |
| CASH GENERATED FROM OPERATIONS | (14.09) | (7.70) |
| Add / (Less) : | | |
| Direct Taxes Paid/ Refund | 0.41 | 0.83 |
| NET CASH FROM OPERATING ACTIVITIES | (13.68) | (6.87) |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Interest Received | 0.50 | 0.98 |
| Dividend | 0.57 | 0.57 |
| Sale of Investment | 10.72 | 6.21 |
| NET CASH FROM INVESTING ACTIVITIES | 11.79 | 7.76 |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| NET CASH USED IN FINANCING ACTIVITIES | - | - |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (1.89) | 0.89 |
| CASH AND CASH EQUIVALENTS - Opening Balance | 2.18 | 1.29 |
| CASH AND CASH EQUIVALENTS - Closing Balance | 0.29 | 2.18 |

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

| | | |
|------------------------------|-------------|-------------|
| - Cash in Hand | 0.20 | 0.01 |
| - Balance in Current Account | 0.09 | 2.17 |
| Total | 0.29 | 2.18 |

Note: The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

As per our attached report of even date

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants

Firm Reg No.105146W

Amit Rathi
Managing Director

DIN : 00029791

Rakesh Rawal
Director & Chief Executive
Officer

DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Place: Mumbai
Date: September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE IV**CORPORATE INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Note 1 - Significant accounting policies****a) Corporate Information**

Anand Rathi Wealth Services Limited (Formerly known as A R Venture Funds Management Limited) (the "Company") was incorporated under the provisions of Companies Act, 1956 on March 22, 1995. On March 8, 2017, the Company was converted from Private Company to Public Company. It is engaged in business of Distribution and Sale of Financial products.

b) Basis of preparation

The Restated Statement of Assets and Liabilities of the Company as at March 31, 2015 and March 31, 2014, the Restated Statement of Profit and Loss and the Restated Statement of Cash flows and annexure part thereof for the year ended March 31, 2015 and March 31, 2014 (together referred as "Restated Standalone Financial Information") has been prepared as per Accounting Standards (AS) notified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Restated Financial Information have been compiled by the Company from the Audited Financial Statements of the Company for the respective years ("Audited Financial Statements") prepared under the generally accepted accounting principles followed in India ("Indian GAAP") The Restated Financial Information have been prepared under Indian GAAP defined above and in accordance with the requirements of:

(a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") as amended;

(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "SEBI ICDR Regulations") along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/2016/47 dated March 31, 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India.

(c) The Restated Financial Information have been extracted by the Management from the Audited Financial Statements and:

- there were no audit qualifications on these financial statements,
- there were no changes in accounting policies during the years of these financial statements,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Audited Financial Statements of the Company as at and for the Period ended March 31, 2018 and the requirements of the SEBI Regulations, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years and the impact of current tax in respect of short/excess income tax arising out of assessments, appeals, revised income tax returns, etc., has been adjusted in the current tax of respective years to which they relate.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

These Restated Financial Information were approved by the Board of Directors of the Company on September 1, 2018.

c) Use of Estimates

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.

d) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other Investments are classified as non – current investments. Current investments are stated at lower of cost or market / fair value. Non – current investments are carried at cost. Provision for diminution in value of non – current investments is made, if in the opinion of the management such diminution is other than temporary.

ANAND RATHI WEALTH SERVICES LIMITED

(Formerly Known as A R Venture Funds Management Limited)

CIN : U67120MH1995PLC086696

ANNEXURE IV**CORPORATE INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****e) Taxation**

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 Provision: Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized, except in case of unabsorbed losses and unabsorbed depreciation wherein the recognition is done if there is a Virtual Certainty that such deferred tax assets can be realised against future taxable profits. At each reporting date the Company reassesses the unrecognized deferred tax assets and reviews the deferred tax assets recognized.

f) 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.

g) Revenue Recognition

Revenue is recognized based on the nature of activity to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

- 1) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.
- 2) Revenue from dividend is recognized when the right to receive the dividend is established by the reporting date.
- 3) Profit/ loss earned on sale of investments is recognized on trade date basis. Profit/ loss on sale of investments is determined based on the weighted average cost of the investments sold.
- 4) Income related with Advisory activities, Referral fees, Consultancy and commission Income is accounted on accrual basis.

h) Earning per share

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

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

i) Provisions and Contingent Liabilities and Contingent Assets

Provisions are recognized when there is a present obligation 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.

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

Contingent Assets are neither recognized nor disclosed.

(In million)

| | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| Note 2 - RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF SHARE CAPITAL | | |
| <u>Authorised</u> | | |
| 260,000 Equity Shares of Rs.10/-each | 2.60 | 2.60 |
| | 2.60 | 2.60 |
| <u>Issued,Subscribed And Paid Up</u> | | |
| 194,702 (P.Y. 194,702) Equity Shares of Rs.10/-each Fully Paid Up | 1.95 | 1.95 |
| | 1.95 | 1.95 |

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

ANNEXURE IV

CORPORATE INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Reconciliation for No. of shares outstanding during the year

| Equity Shares | As at March 31, 2015 | | As at March 31, 2014 | |
|--|----------------------|------------------|----------------------|------------------|
| | No. of shares | (Rs. In Million) | No. of shares | (Rs. In Million) |
| Shares outstanding at the beginning of the year | 194,702 | 1.95 | 194,702 | 1.95 |
| Shares Issued during the year by capitalising of reserve | - | - | - | - |
| Shares Issued during the year for consideration | - | - | - | - |
| Shares outstanding at the end of the year | 194,702 | 1.95 | 194,702 | 1.95 |

No shares were issued for consideration other than cash in the preceding five years

Terms/Rights attached to the Equity Shares

The Company has only one class of shares referred to as Equity Shares having a face value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The 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.

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

| Name of Shareholders | As at 31st March, 2015 | | As at 31st March, 2014 | |
|--|------------------------|---------------|------------------------|---------------|
| | No. of shares held | % of Holdings | No. of shares held | % of Holdings |
| Holding Company Anand Rathi Financial Services Limited | 154702 | 79.46% | 154702 | 79.46% |
| Others Atul Chordia | 20000 | 10.27% | 20000 | 10.27% |
| Kaushal Kumbhat | 20000 | 10.27% | 20000 | 10.27% |

1) 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.

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

| | (In million) | |
|---|----------------------|----------------------|
| | As at March 31, 2015 | As at March 31, 2014 |
| Note 3 - RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF RESERVES AND SURPLUS | | |
| a. Securities Premium Account | 7.75 | 7.75 |
| b. Profit & Loss Account | | |
| Opening Balance | 53.22 | 50.28 |
| Add: Profit During the Year | (0.13) | 2.94 |
| Balance as at year end | 53.09 | 53.22 |
| Total | 60.84 | 60.97 |

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

| ANAND RATHI WEALTH SERVICES LIMITED (Formerly Known as A R Venture Funds Management Limited) CIN : U67120MH1995PLC086696 | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| ANNEXURE IV | | | | |
| CORPORATE INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES | | | | |
| (In million) | | | | |
| | As at March 31, 2015 | | As at March 31, 2014 | |
| Note - 4 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES | | | | |
| Other Liabilities - Statutory Dues | | 0.01 | | 0.06 |
| Provision for Expenses | | 0.06 | | 0.06 |
| Provision for Tax (Net of Advance Tax) | | 0.06 | | - |
| | | 0.13 | | 0.12 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | | | |
| Note - 5 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF NON-CURRENT INVESTMENTS | As at March 31, 2015 | As at March 31, 2014 | As at March 31, 2015 | As at March 31, 2014 |
| | Qty. in Nos. | Qty. in Nos. | Amount (In million) | Amount (In million) |
| Un-Quoted Trade Investment | | | | |
| Bombay Stock Exchange Ltd | 141388 | 141388 | 42.42 | 42.42 |
| 9.25% Dena Bank Bond | - | 10 | - | 10.00 |
| | | | 42.42 | 52.42 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | | | |
| (In million) | | | | |
| Note - 6 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF DEFERRED TAX ASSETS | As at March 31, 2015 | | As at March 31, 2014 | |
| | | | | |
| Deferred Tax Asset on account of: | | | | |
| Long Term Capital Loss | | | - | 0.99 |
| | | | - | 0.99 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | | | |
| (In million) | | | | |
| Note - 7 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF LONG-TERM LOANS AND ADVANCES | As at March 31, 2015 | | As at March 31, 2014 | |
| | | | | |
| Advance Tax (Net of Provision for Tax) | | | - | 0.39 |
| | | | - | 0.39 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | | | |

| ANAND RATHI WEALTH SERVICES LIMITED (Formerly Known as A R Venture Funds Management Limited) CIN : U67120MH1995PLC086696 ANNEXURE IV CORPORATE INFORMATION AND STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES | | |
|---|-----------------------------|-----------------------------|
| (In million) | | |
| Note - 8 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF TRADE RECEIVABLES | As at March 31, 2015 | As at March 31, 2014 |
| Outstanding for more than six months | 5.09 | - |
| Others | - | 5.09 |
| | 5.09 | 5.09 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | |
| (In million) | | |
| Note - 9 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF SHORT TERM LOANS AND ADVANCES | As at March 31, 2015 | As at March 31, 2014 |
| Cenvat Claim | 0.54 | 0.54 |
| Advances to Others | 14.00 | - |
| | 14.54 | 0.54 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | |
| (In million) | | |
| Note - 10 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF CASH AND CASH EQUIVALENTS | As at March 31, 2015 | As at March 31, 2014 |
| Cash in Hand | 0.20 | 0.01 |
| Balances with Scheduled Banks - in Current Accounts | 0.09 | 2.17 |
| | 0.29 | 2.18 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | |
| (In million) | | |
| Note - 11 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF OTHER CURRENT ASSETS | As at March 31, 2015 | As at March 31, 2014 |
| Interest Accrued | - | 0.92 |
| MAT Entitlements | 0.58 | 0.51 |
| | 0.58 | 1.43 |
| Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24. | | |

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Notes Forming Part of the Restated Financial Statements

(In million)

| | For the Year Ended March 31, 2015 | For the Year Ended March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| Note - 12 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF REVENUE FROM OPERATION | | |
| Fund Management Fees | - | 5.03 |
| | - | 5.03 |

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

(In million)

| | For the Year Ended March 31, 2015 | For the Year Ended March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| Note - 13 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF OTHER INCOME | | |
| Interest Received from Others | 0.50 | 0.98 |
| Dividend Received | 0.57 | 0.57 |
| Profit on sale of Long Term Investment | 0.72 | 3.39 |
| | 1.79 | 4.94 |

(Interest received from others is recurring in nature and Dividend received and Profit on sale of Long Term Investment is non recurring in nature)

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

(In million)

| | For the Year Ended March 31, 2015 | For the Year Ended March 31, 2014 |
|---|--------------------------------------|--------------------------------------|
| Note - 14 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF EMPLOYEE BENEFIT EXPENSES | | |
| Salary & Allowances | 0.86 | 4.53 |
| | 0.86 | 4.53 |

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

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(In million)

| | For the Year Ended March 31, 2015 | For the Year Ended March 31, 2014 |
|--|--------------------------------------|--------------------------------------|
| Note - 15 RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF OPERATIONAL & OTHER EXPENSES | | |
| Business Support Charges | - | 2.40 |
| Legal & Professional Charges | 0.01 | 0.01 |
| Travelling & Conveyance Expenses | 0.01 | 0.01 |
| Auditors Remuneration | 0.01 | 0.01 |
| Miscellaneous & other Expenses | 0.00 | 0.01 |
| | 0.03 | 2.44 |
| Miscellaneous & other Expenses includes: | | |
| - Interest on Delayed Payment of Taxes | 0.00 | 0.00 |

(Rs. 0.00 indicates amount lower than Rs. 0.01 million)

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

Note 16 - RESTATED PREVIOUS GAAP STANALONE SUMMARY STATEMENT OF SEGMENT REPORTING

The Company operates in a single business segment as a primary segment in term of AS 17 Segment Reporting issued by ICAI. There is no other secondary segment on geographical basis.

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

Note 17 - RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF RELATED PARTY DISCLOSURE

A. List of Related Parties

I Parties where control exists

a. Holding Company

Anand Rathi Financial Services Limited.(ARFSL)

b. Subsidiaries of Holding Company (Fellow Subsidiaries)

Anand Rathi Share & Stock Brokers Limited (ARSSBL)
Anand Rathi Commodities Ltd (ARCL)
Anand Rathi Global Finance Ltd (ARGFL)
Anand Rathi Insurance Brokers Ltd (ARIBL)
Anand Rathi Advisors Ltd (ARAL) A Subsidiary of ARGFL
AR Trustee Company Pvt Ltd (ARTCPL)
Anand Rathi Financial Services (HK) Limited
Anand Rathi IT Pvt. Ltd. (ARITPL) A Subsidiary of ARSSBL

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II Other Parties where control does not exists (with whom the Company has entered into the transaction during the year)

a. Key Management Personnel

Shri Anand Rathi
Shri Amit Rathi
Shri Pradeep Gupta
Shri Roop Bhootra

B. During the year following Transactions were carried out with the related parties in the ordinary course of Business:

(In million)

| Particulars | Holding Companies | Fellow Subsidiaries | Other Group Company |
|--|-------------------|---------------------|---------------------|
| | 2014-15 | | |
| Loans, Advances & Deposits Given | - | 19.65 (9.70) | - |
| Loans, Advances & Deposits Received Back | - | 19.65 (9.70) | - |
| Interest Received | - | 0.47 - | - |
| Reimbursement/Sharing of Expenses paid | - | - (6.00) | - |

Note - Figures in Brackets represent corresponding amount of previous year

- No Amount in respect of related parties have been written off/back during the year
- Related party relationships have been identified by the management and relied upon by the auditors

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

Note 18 - RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF ACCOUNTING RATIOS

| (Before split of equity shares) | 2014-15 | 2013-14 |
|--|-----------|-----------|
| Restated Previous GAAP Standalone Net Profit after tax | (0.13) | 2.94 |
| Restated Previous GAAP Standalone Net Worth at the end of the year | 62.79 | 62.92 |
| Number of Equity Shares | 194,702 | 194,702 |
| Weighted Average number of equity shares (Nos) | 6,425,166 | 6,425,166 |
| Diluted Weighted Average number of equity shares (Nos) | 6,425,166 | 6,425,166 |
| Earnings Per Share (in Rs) | | |
| – Basic | (0.02) | 0.46 |
| – Diluted | (0.02) | 0.46 |
| Return on Net Worth % | -0.20% | 4.67% |
| Net Asset Value Per Share | 322.50 | 323.17 |

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RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF ACCOUNTING RATIOS
(After split of equity shares)

| | 2014-15 | 2013-14 |
|--|------------|------------|
| Restated Previous GAAP Standalone Net Profit after tax | (0.13) | 2.94 |
| Restated Previous GAAP Standalone Net Worth at the end of the year | 62.79 | 62.92 |
| Number of Equity Shares | 389,404 | 389,404 |
| Weighted Average number of equity shares (Nos) | 12,850,332 | 12,850,332 |
| Diluted Weighted Average number of equity shares (Nos) | 12,850,332 | 12,850,332 |
| Earnings Per Share (in Rs) | | |
| – Basic | (0.01) | 0.23 |
| – Diluted | (0.01) | 0.23 |
| Return on Net Worth % | -0.20% | 4.67% |
| Net Asset Value Per Share | 161.25 | 161.59 |

1.) The Ratios have been computed as follows:

| | |
|----------------------------------|---|
| a) Earning per share (Basic) = | $\frac{\text{Restated Previous GAAP Standalone Net Profit after tax}}{\text{Weighted Average number of equity shares (Nos)}}$ |
| b) Earning per share (Diluted) = | $\frac{\text{Restated Previous GAAP Standalone Net Profit after tax}}{\text{Diluted Weighted Average number of equity shares (Nos)}}$ |
| c) Return on Net Worth (%) = | $\frac{\text{Restated Previous GAAP Standalone Net Profit after tax}}{\text{Restated Previous GAAP Standalone Net Worth at the end of the year}}$ |
| d) Net Assets Value Per Share = | $\frac{\text{Restated Previous GAAP Standalone Net Worth at the end of the year}}{\text{Number of Equity Shares}}$ |

2.) Net worth for ratios mentioned above is = Total paid up share capital + Reserves and surplus (including Securities premium).

3.) Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during year and cross holding of a subsidiary, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year.

4.) Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

5.) The figures disclosed above are based on the Restated Previous GAAP Standalone Financial Information of the Company.

6.) 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.

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8.) AS 20 "Earnings per Share", requires an adjustment in the calculation of basic and diluted earning per share for all the periods presented if the number of equity or potential equity shares outstanding change as a result of share sub-division. The weighted average number of shares and consequently the basic and diluted earnings per share have accordingly been adjusted in the restated previous GAAP Financial Statement.

9.) The Company has Issued 62,30,464 Bonus shares in the ration of 1:32 on August 08, 2016 by capitalising its reserves. Impact of the same has been considered while calculating EPS.

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

| Note 19 - RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF CAPITALISATION | (In million) | |
|--|-----------------------|-----------------------|
| | March 31, 2015 | March 31, 2014 |
| Debt | | |
| Borrowings | - | - |
| Total Debt (A) | - | - |
| Shareholder's Funds (Equity) | | |
| Equity | 1.95 | 1.95 |
| Other Equity | 60.84 | 60.97 |
| Total Shareholder's Funds (B) | 62.79 | 62.92 |
| Debt / Equity Ratio (A/B) | - | - |

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

Note 20a
The Company does not have any pending capital commitments as on reporting date.

Note 20b
The Company does not have any pending litigation which would impact its financial position.

Note 21 - RESTATED PREVIOUS GAAP STANDALONE SUMMARY STATEMENT OF DIVIDEND
The Company has not declared any dividends during the year ended 31.03.2014 and 31.03.2015.

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| Note 22 - Restated Previous GAAP Standalone Summary Statement of Tax Shelter | | (In million) | |
|---|-----------------------|-----------------------|--|
| Particulars | March 31, 2015 | March 31, 2014 | |
| A. Restated Profit before tax | 0.90 | 3.00 | |
| B. Applicable Tax Rate | 30.90 | 30.90 | |
| C. Tax using the Company's statutory tax rate (A*B) | 0.27 | 0.93 | |
| Adjustments | | | |
| <u>Tax impact of permanent differences due to:</u> | | | |
| Expenses Disallowed | 0.07 | 0.06 | |
| Exempt Income | (0.17) | (0.17) | |
| Carry Forward Business Losses / (Utilised) | (0.13) | 0.23 | |
| Income for which tax charged at Different rate | - | (1.05) | |
| D. Total tax impact of permanent differences | (0.23) | (0.93) | |
| <u>Tax impact of temporary differences</u> | | | |
| Deferred Tax creation/utilisation of carry forward losses | 0.99 | 0.06 | |
| E. Tax impact of temporary differences | 0.99 | 0.06 | |
| F. Net Adjustments (D+E) | 0.76 | (0.87) | |
| G. Current Tax (C+D) | 0.04 | 0.00 | |
| H. Deferred Tax | 0.99 | 0.06 | |
| I. Total Tax (G+H) | 1.03 | 0.06 | |

(Rs. 0.00 indicates amount lower than Rs. 0.01 million)

Note: The figures disclosed above are based on the restated Previous GAAP Standalone Financial information of the Company. The above statement should be read with Notes to Restated Previous GAAP Standalone Financial Information - Basis of preparation and significant accounting policies appearing in Annexure IV - 1 and information appearing from Annexure IV - 2 to Annexure IV - 24.

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Note 23 - Restated Previous GAAP Standalone Summary Statement of Material adjustments

Summarised below are the restatement adjustments made to the audited standalone financial statements for the year ended March 31, 2015 and March 31, 2014 and their impact on the profit of the Company:

(In million)

| Particulars | March 31, 2015 | March 31, 2014 |
|--|----------------|----------------|
| Profit after tax (as per Audited Standalone Financial Statements) (i) | (0.27) | 2.87 |
| Restatement Adjustments: | | |
| Tax Adjustments of earlier year | 0.14 | 0.07 |
| Total Impact of Restatement Adjustment (ii) | 0.14 | 0.07 |
| Profit after tax (As Restated) (iii)=(i)+(ii) | (0.13) | 2.94 |

Opening Reserve Reconciliation

| Particulars | (In Million) |
|---|---------------|
| Surplus in the Statement of Profit and Loss as at April 1, 2013 (as per Audited Standalone Financial Statements) (i) | 50.88 |
| Adjustment on account of Restatements:- | |
| Tax adjustments of earlier years | |
| Tax Expenses in FY 2013-14 relates to earlier year | (0.07) |
| Tax Expenses in FY 2014-15 relates to earlier year | (0.15) |
| Tax Expenses in FY 2016-17 relates to earlier year | (0.38) |
| Total Impact of Restatement Adjustment (ii) | (0.60) |
| Surplus in the Statement of Profit and Loss as at April 1, 2013 (As Restated) (iii)=(i)+(ii) | 50.28 |

Note: Tax adjustment for previous year - During the year ended March 31, 2014, March 31, 2015 and March 31, 2017, the Company had recorded certain tax expenses of prior years in the statement of profit and loss. These have been adjusted in the years to which it relates.

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Note 24 - Restated Previous GAAP Standalone Summary Statement of Subsequent Events

- (i) 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.
- (ii) Mr. Amol Bhabal was appointed as the Chief Financial Officer of the Company effective 01 October 2017, who resigned subsequently. Mr. Rajesh Bhutra was appointed as the Chief Financial Officer of the Company effective from 10 July 2018.

As per our attached report of even date.

For and on Behalf of
Khimji Kunverji & Co.
Chartered Accountants
Firm Reg No.105146W

Amit Rathi
Managing Director
DIN : 00029791

Rakesh Rawal
Director & Chief Executive Officer
DIN : 02839168

Hasmukh B Dedhia
Partner
Membership No: F-033494
Place: Mumbai
Date: September 1, 2018

Dilip Balakrishnan
Company Secretary

Rajesh Bhutra
Chief Financial Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Consolidated Financial Information as of, and for, the years ended March 31, 2018 and 2017 and our Restated Standalone Financial Information as of, and for, the years ended March 31, 2018, 2017, 2016, 2015 and 2014, including the related annexures. Our Restated Consolidated Financial Information for Fiscals 2018 and 2017 and our Restated Standalone Financial Information for Fiscals 2018, 2017 and 2016 have been prepared under Indian Accounting Standards (“Ind AS”), the Companies Act and the SEBI ICDR Regulations. Our Restated Standalone Financial Information for Fiscals 2015 and 2014 have been prepared under Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Please note that the Restated Financial Information for Fiscal 2018 and Fiscal 2017, and for prior Fiscals of our Company may not provide comparable historical performance of our underlying business. For further details, please refer to ‘Risk Factors - The Restated Financial Information included in this Draft Red Herring Prospectus do not provide comparable historical performance of our underlying business as they do not fully reflect the effects of certain strategic transactions undertaken by us.’ on page 20 of this Draft Red Herring Prospectus.

Unless indicated otherwise, the financials included herein are based on our Restated Financial Information as at and for the years ended March 31, 2014, 2015, 2016, 2017 and 2018. For further details, please see “Financial Information” on page 207 of this Draft Red Herring Prospectus. You should read the following discussion and analysis of our financial condition and results of operations together with such Restated Financial Information, including the significant accounting policies, notes thereto and reports thereon, which have been prepared in accordance with Companies Act and SEBI ICDR Regulations. The Restated Financial Information have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections “Forward-Looking Statements” and “Risk Factors” on pages 16 and 18 of this Draft Red Herring Prospectus, respectively.

Overview

We are one of the leading non-bank wealth management services firms in India (*Source – CARE Advisory Research*) that caters to a large spectrum of clients through a mix of advisory, distribution and technology solutions. We are one of the few wealth management companies in India that caters to clients across mass affluent, HNI as well as the Ultra HNIs through various solutions ranging from personal service to technology and robo-advisory. We carry out our business through our three business verticals, namely Private Wealth Management (“**PWM**”), Digital Wealth Management (“**DWM**”) and Omni Financial Advisors (“**OFA**”). Under our PWM vertical, we provide wealth management solutions to our clients which include facilitating client investments in various financial instruments including but not limited to, mutual funds, debentures, structured products and equity derivatives for the purpose of investment strategies. Our DWM vertical allows us to build an economically feasible wealth management model for services to the mass affluent market. Further, our OFA platform is India’s leading tech platforms for IFAs (*as of June, 2018 and in terms of subscribing IFAs*) (*Source – CARE Advisory Research*) to service their clients and grow their business. Our total AuA from our PWM and DWM business was ₹169.97 billion, as on July 31, 2018. We operate with team strength of 514, 34 and 94 as on July 31, 2018 for our PWM, DWM and OFA verticals, respectively.

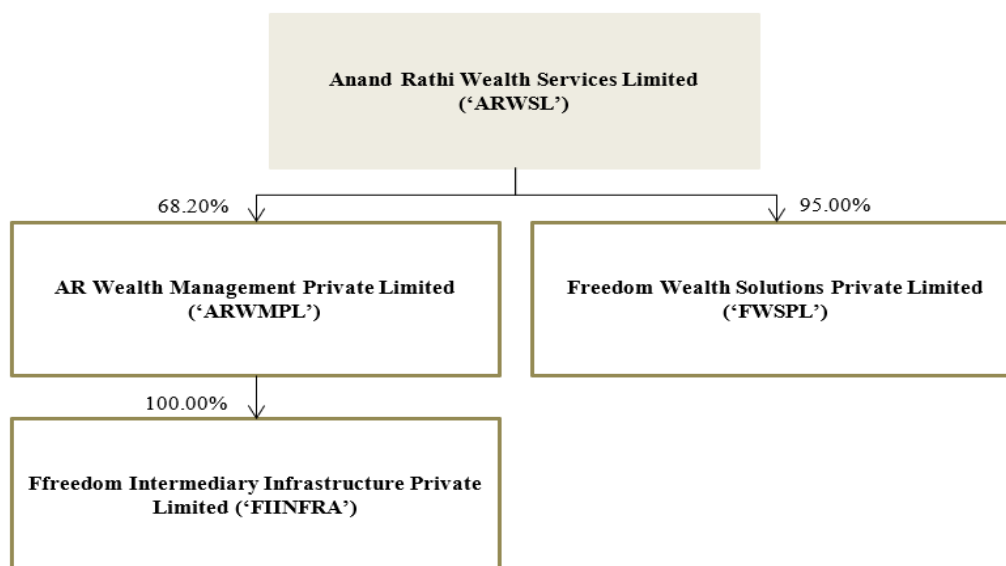
We are part of the Anand Rathi Group, founded by Mr. Anand Rathi and Mr. Pradeep Gupta in the year 1994 with a focus on stock-broking services and subsequently, has expanded into a diversified financial services conglomerate in the country with presence in segments, including non-banking financial services, wealth management, stock broking, investment banking and insurance broking. The Anand Rathi Group has expanded its geographical footprint and operates through 98 offices across India and the Middle East, which they service through business associates and representative offices/associate companies.

ARFSL, at the time, an AMFI registered mutual fund distributor, transferred certain businesses including the mutual fund distribution business in Fiscal 2016 to ARAL, which held a merchant banker registration, with a

view to achieving a simplified business structure and facilitating a dedicated management structure for its core businesses.

Subsequently, in Fiscal 2017, ARAL further transferred its mutual fund distribution business to our Company.

Presently, the Anand Rathi Group conducts its wealth management activities including distribution of mutual funds through Anand Rathi Wealth Management Group as set out below:



Our business verticals include Private Wealth Management (“PWM”), Digital Wealth Management (“DWM”) and Omni Financial Advisors (“OFA”) through which we provide advisory, distribution and technology solutions, as detailed below:

Private Wealth Management (PWM): Our PWM vertical caters to the Ultra HNI and HNI segments of our clientele. The revenue generating activities include distribution of mutual funds, sale of financial products and investment advisory fees. As of July 31, 2018, the AuA for our PWM business was ₹ 167.02 billion with 3,653 active client families, which are serviced by a team of 208 Relationship Managers. We are present across nine cities in India, namely, Mumbai, Bangalore, Delhi, Gurugram, Hyderabad, Kolkata, Chennai, Pune and Goa.

For the 12 months ended March 31, 2018 we had ‘net mobilization from clients’ of ₹ 27.33 billion. We define ‘net mobilization from clients’ as difference between additional AuA procured by our Company net of any outflow.

We define AuA as a sum of:

- All third party assets that generate commissions or fees, which maybe upfront and/or on a trail basis; and
- Custody assets of wealth management clients.

Our AuA includes the AuA of private wealth management clients who were a part of ARFSL and ARAL before the same was transferred to our Company. We however, do not include value of promoter holdings in companies in our AuA even though they maybe in the Anand Rathi Group’s custody. We also do not include any custody assets where such clients do not have current holding of third-party assets.

We define ‘active client families’ as client families/groups with at least ₹5 million in cumulative AuA. Each ‘client family’ may have one or more sub-accounts or family member accounts through which they invest.

The details for the AuA of our PWM business is as set out below:

| AuA as at | AuA in ₹ billion |
|----------------|------------------|
| March 31, 2014 | 39.47 |
| March 31, 2015 | 56.33 |
| March 31, 2016 | 69.41 |
| March 31, 2017 | 95.81 |
| March 31, 2018 | 149.88 |
| July 31, 2018 | 167.02 |

The number of active client families with respect to our PWM business was 3,330 and 3,653 as on March 31, 2018 and July 31, 2018, respectively.

Digital Wealth Management (DWM): Our offering for the mass affluent segment, seeks to combine the benefits of a human touch and a technology platform to deliver our wealth management services to clients. Our digital platform offers integrated wealth management services by innovative use of technology to interact with clients and help them kick-start the process of building long term wealth via online/mobile based services delivered by our employees and client engagement partners. As part of DWM business, we engage with these partners who help us service our clients and get compensated on the basis of the revenue generated by the clients serviced by these partners. Currently, we offer these services through our mobile based application, 'AR Wealth Management'. As of July 31, 2018, the AuA for our DWM vertical was ₹ 2.95 billion with 1,978 clients and 72 client engagement partners.

Omni Financial Advisors (OFA): It provides a technology platform for Independent Financial Advisors ("IFAs") to service their clients and grow their business. This cloud-based platform provides mobile – first client reporting, online transactions and financial planning systems for IFAs and their clients, coupled with analytics, data management and reporting systems and dedicated team of support and technology specialists. Our OFA platform is India's leading tech platforms for IFAs (as of June, 2018 and in terms of subscribing IFAs) (Source – CARE Advisory Research). As of July 31, 2018, 4,923 IFAs had subscribed to our OFA platform. These IFAs handle over 1.86 million clients, with Platform Assets of ₹ 557.26 billion as of July 31, 2018. We define Platform Assets as sum total of subscribed IFAs' client assets processed and reported by us.

Our client segment, AuA or Platform Assets, service delivery, history growth and average client size for each of the business verticals are detailed below:

As on July 31, 2018

| Anand Rathi Wealth Management Group Vertical | Client segment | AuA Platform Assets | Service Delivery | Historical Growth | Average client size |
|--|-------------------|--|---|---|--|
| PWM | Ultra HNI and HNI | AuA- ₹167.02 billion Active client families – 3,653 | Nine branches, 208 Relationship Managers | 39.47% p.a. in AuA from March 31, 2014 to July 31, 2018 | ₹ 45.72 million per active client family |
| DWM | Mass Affluent | AuA – ₹ 2.95 billion Clients – 1,978 | Mobile apps, website, employees and 72 client engagement partners | We launched our DWM platform in August, 2016 | ₹ 1.49 million per client |

| Anand Rathi Wealth Management Group Vertical | Client segment | AuA Platform Assets | Service Delivery | Historical Growth | Average client size |
|--|----------------|--|---|--|---|
| OFA | Retail | Platform Assets - ₹ 557.26 billion Platform Clients – over 1.86 million | 4,923 IFAs Mobile apps, website and support centre | 171.28% p.a. growth in number of IFAs from March 31, 2017 to July 31, 2018 | Platform Assets of ₹ 0.30 million per Platform Client Platform Assets of ₹113.20 million per IFA |

Our standalone revenue from operation and total comprehensive income for the period, representing the PWM business were ₹ 2,104.94 million and ₹ 502.09 million respectively for Fiscal 2018, and our consolidated revenue from operation and total comprehensive income for the period were ₹ 2,210.32 million and ₹ 461.41 million respectively for Fiscal 2018. Our standalone and consolidated RONW was 56.06% and 59.02%, respectively, for Fiscal 2018.

We believe in an ‘uncomplicated’ objective-oriented approach towards wealth management, in which we help our clients identify their wealth goals; post which we create customized financial strategies providing investment solutions to our clients. We also assist IFAs to provide wealth management services to their clients by leveraging our OFA technology platform.

We believe that our ‘uncomplicated’ wealth management strategy, standardised delivery processes and a highly motivated team of trained Relationship Managers help us in attracting and servicing HNI and Ultra HNI clients. Further, we have made significant investments in technology through ARWMPL and FIINFRA that are aimed at making the business more scalable and offering an enhanced client experience. We believe that the mass affluent space remains untapped and presents a lucrative business opportunity. Our DWM platform, ‘AR Wealth Management’, offers a technology platform to the mass affluent, and OFA offers a technology platform to IFAs (who provide wealth management services to their clients). Thus, we are able to provide services across a wide spectrum of clients.

We believe that the wealth management sector in India holds significant growth potential. The Indian economy is one of the fastest growing large economies in the world with projected growth of 7.3% in Fiscal 2018 and 7.5% in Fiscal 2019 (*Source – CARE Advisory Research*). Individual wealth is expected to grow at a CAGR of 13.18% till Fiscal 2022 (*Source – CARE Advisory Research*). We believe that this strong macroeconomic backdrop, coupled with India’s growing number of HNI population, rising affluence, digitization and awareness will continue to propel the financialization of savings and therefore the growth of the wealth management sector in India.

The Indian wealth management market is on a sustained path of growth, given India’s long-term economic prospects, positive demographics, rising income levels and current low penetration. In India, 45% of the total wealth is held by 8% of the population of which 20% take advice from wealth managers, hence we have an under penetrated market with huge upside growth potential for wealth managers. (*Source – CARE Advisory Research*)

The global wealth management industry is being revolutionized by the rapid pace of digital innovation. After the global financial crisis, while traditional asset managers focused on meeting the enhanced regulatory requirements and resolving other crisis-driven complexities, several new age digital players focused on developing simpler and cheaper methods of delivering financial advice in an innovative way. This paved the way for virtual advice, and amidst the increasing evolution of virtual advice, one of the most recent disruptions is the robo-advisor movement, i.e., the emergence of a new group of digital wealth management firms offering automated investment advice services. (*Source – CARE Advisory Research*)

Factors Affecting Our Results of Operations

We believe that the following factors, amongst others, have significantly affected our results of operations, cash flows and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Assets under Administration (AuA)

Our results of operations are materially affected by our AuA. Set forth below is a table showing our AuA, for such periods.

| AuA as at | AuA in ₹ billion |
|------------------|-------------------------|
| March 31, 2014 | 39.47 |
| March 31, 2015 | 56.33 |
| March 31, 2016 | 69.41 |
| March 31, 2017 | 97.01 |
| March 31, 2018 | 152.67 |
| July 31, 2018 | 169.97 |

We are one of the leading non-bank, wealth management firms in India (*Source - CARE Advisory Research*) and enjoy a healthy yield on our AuA driven by high share of productive client assets and high percentage of equity and long-term growth assets. While we initially commenced our mutual fund distribution business with upfront commissions, we moved to a trail commission model, which has provided us with a recurring commission based on the performance of such funds in the market.

We have in the past expanded through the acquisition of the wealth management business from ARAL and the acquisition of the wealth management business of Religare Wealth Management Limited in Fiscal 2017. While we continue to explore opportunities to expand our business through organic and inorganic modes, we cannot be certain that the growth witnessed by us in the past will be maintained.

Relationship managers

Wealth management is generally a high engagement and highly customized business which thrives on relations forged by relationship managers over long periods of time. We grew to 208 Relationship Managers from 60 Relationship Managers from March 31, 2014 to July 31, 2018. We expanded our team primarily through existing Relationship Managers led reference hiring, promoting trained Account Managers to Relationship Managers, and through the acquisition of the wealth management business of Religare Wealth Management Limited in Fiscal 2017.

Relationship Managers are critical to our success and our inability to attract and retain Relationship Managers or train Account Managers to grow into Relationship Managers may have an adverse impact on our business and future financial performance. If such personnel were to leave, they may seek to solicit our customers after termination of their employment, and, therefore, the loss of these personnel could also cause us to lose certain of our AuA.

Macroeconomic environment and fluctuation in underlying markets

We operate in the wealth management industry in India. As a result, our business, financial condition, results of operations and prospects are significantly affected by macroeconomic conditions in India, where we conduct most of our business and as the performance of the investment products distributed by us depends largely on the overall performance of the Indian economy. Fluctuation in the performance of financial products has an impact on the perception of such products as investment options and can affect the demand for the financial products distributed by us. While our business tends to benefit from increased consumer confidence in the overall economy and financial markets, for the financial services sector in particular, adverse macroeconomic conditions in India may reduce the demand for, or returns on the products distributed by us, and otherwise adversely affect our results of operations. Other key factors affecting the performance of the growing wealth management industry in India include changes in the political and social conditions in India, and changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things.

Adverse macroeconomic conditions and fluctuations in underlying markets may also impact the value of derivative positions we may be holding as a principal and impact our results of operations.

Regulatory environment

Our business operations, which are conducted almost entirely in India, are regulated. The regulatory and policy environment in which we operate is evolving and remains subject to changes which may be beyond our control. Such changes may adversely affect our business, financial condition, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with such changes in applicable regulations and policies. Our efforts to comply with changes in regulations may also lead to increased operating and administrative expenses.

We are subject to a variety of financial services regulation in the jurisdictions where we operate, including, the SEBI Act, the Intermediaries Regulations, the SEBI (Investment Advisers) Regulations, 2013, circulars issued by AMFI from time to time to its members on various aspects relating to distribution of mutual fund schemes by distributors, etc. The laws and regulations governing advisory and distribution services relating to financial products have become increasingly complex and cover a wide variety of issues, including registration, disclosures, conflicts, insider trading, etc. SEBI issued a consultation paper on January 2, 2018, which proposed certain amendments to the SEBI (Investment Advisers) Regulations, 2013 including a clear segregation between providing investment advice and distribution of the investment products/ execution of investment transactions wherein the banks, NBFCs, body corporates, LLPs and firms providing distribution services shall not provide investment advice and vice versa. SEBI has also proposed parameters to be followed by mutual fund distributors. While such proposals of SEBI are yet to be implemented, we cannot assure you that any of these proposals will not impact our business structure (including cessation of any businesses), thereby impacting our business prospects, financial condition and results of operations. Future changes to mutual fund regulations could adversely affect our results of operations.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. For example, the GAAR provisions have come into effect from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefits, amongst other consequences. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. For example, the Finance Act, 2018, withdrew the exemption on long-term capital gains tax and instead made it payable by investors. This may adversely affect investments in the securities market. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. Our results of operations may also be affected by macroeconomic regulatory changes, such as the recent introduction of a comprehensive unified GST regime by the Government of India from July 1, 2017, under which financial products will now attract GST instead of service tax.

See “*Regulations and Policies*”, “*Risk Factors — Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.*” and “*Risk Factors— We operate in a highly regulated environment, which is subject to change, and existing and new laws, regulations and government policies affecting the sectors in which we operate could adversely affect our business, financial condition and results of operations.*” on pages 158, 31 and 22 of this Draft Red Herring Prospectus, respectively.

Competition

We face competition in all our main business lines. Some of our key competitors are part of diversified financial institutions and may have greater resources and offer a broader range of services than ours. We also compete with many well-established international wealth managers for opportunities to manage assets. HNIs, UHNIs and other clients may prefer the services of other wealth managers over ours due to better returns offered, more convenient interfaces, better services offered, or simply as a matter of choice. Further, emerging competition from digital wealth advisors or robo-advisors may also affect our ability to retain or grow our market share. See “*Risk Factors— Competition from existing and new market participants in our line of business may affect our market share, or results of operations.*” on page 21 of this Draft Red Herring Prospectus.

Product mix and multi-channel distribution

We offer a diverse range of product offerings across our three business verticals, being PWM, DWM and OFA to cater to a variety of customers and with differing risk profiles which we believe continues to attract AuA from new and existing customers. We also focus on reviewing and evaluating our existing product offerings to effectively offer our client ‘need-based’ products. We also intend to further improve the diversity of our product offerings to cater to the various financial needs of our customers.

Our revenue, profitability and future growth will be affected by our ability to successfully design and distribute suitable products through our multiple distribution channels and to identify products that are most suited for distribution through a specific channel. To achieve profitable growth, we are required to identify, design and introduce financial products that meet the needs of diverse customers, leverage the use of data analytics to better understand customer needs and provide our customers with a superior customer service experience. Our ability to implement these measures could impact our business, prospects, cash flows and results of operations. See “*Our Business*”, and “*Risk Factors— Our revenues from distribution and sale of financial products are dependent on our sustained ability to increase our AuA as well as on the performance of the funds that we distribute.*” on pages 142 and 21 of this Draft Red Herring Prospectus, respectively.

Brand Image

Our business prospects and ability to attract clientele are, to a certain extent, dependent on the strength and reputation of the brand ‘ANANDRATHI’ and its reputation, as well as the reputation of other entities forming part of the Anand Rathi Group. Our reputation could be affected by the conduct or performance of third parties over which we have no control, such as other entities that are part of the Anand Rathi Group and have rights to use the same brand as us. While we believe that our brand is well recognised, we may be vulnerable to adverse market and customer perception, particularly in an industry where integrity, trust and customer confidence are paramount. We are exposed to the risk that litigation, misconduct, operational failure, negative publicity (including through social media channels) or press speculation could harm our brand and reputation.

Ability to grow our business while controlling costs and improving productivity

Our profitability is affected by our growth in new business, including through efficient distribution of own and third-party financial products and our ability to control costs, including our ability to consolidate resources and utilise existing resources efficiently. Our PWM business, measured in terms of AuA, which was ₹ 167.02 billion as at July 31, 2018, has grown consistently in the recent past at a CAGR 39.47% since March 31, 2014. During the same period, the number of Relationship Managers increased to 208 as on July 31, 2018 from 60 as at March 31, 2014. In Fiscal 2017, we (i) acquired wealth management business of Religare Wealth Management Limited (ii) acquired FWSPL and (iii) started our DWM vertical. Our DWM vertical has an AuA of ₹ 2.95 billion with 1,978 active clients as of July 31, 2018. The number of IFAs who have subscribed to our OFA platform has increased to 4,923 as of July 31, 2018 from 1,300 in March 31, 2017. Our expenses may also be impacted by specific events and changes in macroeconomic conditions, including inflation, changes in regulations, competition, distribution costs, employee costs and other factors.

Our standalone revenue from operation and total comprehensive income for the period, representing the PWM business were ₹ 2,104.94 million and ₹ 502.09 million respectively for Fiscal 2018, and our consolidated revenue from operations and total comprehensive income for the period were ₹ 2,210.32 million and ₹ 461.41 million respectively for Fiscal 2018. Our standalone and consolidated RONW was 56.06% and 59.02%, respectively, for Fiscal 2018.

See “*Risk Factors— Our inability to manage our growth could adversely affect our business, results of operations and financial condition.*” on page 20 of this Draft Red Herring Prospectus.

Key Performance Indicators

| As at | March 31, 2014 | March 31, 2015 | March 31, 2016 | March 31, 2017 | March 31, 2018 | July 31, 2018 |
|------------------|----------------|----------------|----------------|----------------|----------------|---------------|
| Total AuA (₹ bn) | 39.47 | 56.33 | 69.41 | 97.01 | 152.67 | 169.97 |
| PWM AuA | 39.47 | 56.33 | 69.41 | 95.81 | 149.88 | 167.02 |
| RM count | 60 | 78 | 119 | 131 | 183 | 208 |

Significant Accounting Policies

Principles of Consolidation

The Restated Consolidated Financial Information 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 Information 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.

Critical Accounting Judgements and key Sources of Estimation Uncertainty

The preparation of our Restated Financial Information requires our 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 Financial Year 2017, we acquired Private Wealth Management business from Religare Wealth Management Limited, for which we have made payment which have been capitalised as a Customer Relationship Cost. We expect that we will get future economic benefit of it over the period of three years.

(ii) Depreciation / Amortisation and useful lives of property, plant and equipment:

We depreciate our tangible assets over the useful life of an Asset as prescribed under Part C of Schedule II of Companies Act, 2013. We re-measure 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 Investment from available market price. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iv) Provisions:

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

(v) Taxes:

We periodically assess our 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, we

record our 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.

(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.

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) 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. Intangibles such as Customer Relationship are amortised over a period of five years based on their estimated useful life. Customer Relationship cost is amortised over the period of three years. Software for financial service is amortized over a period of five years. Trade mark is amortized over a period of ten years.

Internally generated Intangible Assets: (Research and Development expenditure)

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

(iii) Deemed cost on transition to Ind AS: For transition to Ind AS, we have elected to continue with the carrying value of all our 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.

Financial Instruments

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

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

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

(i) Classification and Measurement of Financial Assets

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

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

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

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

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

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

Effective Interest Method: Interest income from 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, we estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but do not consider the expected credit losses.

Equity Instruments at FVTOCI: On initial recognition, we 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 us, and the amount of the dividend can be measured reliably.

(ii) Impairment of financial assets

We assess on a forward looking basis the expected credit losses associated with our 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.

For trade receivables only, we apply 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 :

- We have transferred the rights to receive cash flows from the financial asset or;

- retained the contractual rights to receive the cash flows of the financial asset, but assumed a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, we evaluate whether we have 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 we have not retained control of the financial asset.

Where we retain 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

We de-recognise financial liabilities when, and only when, our 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, we have 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.

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.

Leases

Assets taken on lease by us in our capacity as lessee, where we have 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.

Goodwill

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

Business Combination:

Our Company applies the acquisition method in accounting for business combinations. The consideration transferred by our 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 our 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 bargain purchase.

Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to us 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.

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 our Company's estimate of equity instrument that will eventually vest, with a corresponding increase in equity.

Our Results of Operations

The following table sets forth selected financial data from our consolidated profit and loss account, the components of which are also expressed as a percentage of total revenue for the periods indicated:

Fiscal 2018 (consolidated) vs Fiscal 2017 (consolidated)

| | Particulars | For the year ended March 31, 2018 | % of Total Revenue | For the year ended March 31, 2017 | % of Total Revenue |
|-----|--|-----------------------------------|--------------------|-----------------------------------|--------------------|
| I | Revenue From Operation | 2,210.32 | 98.80% | 410.14 | 96.40% |
| II | Other Income | 26.88 | 1.20% | 15.33 | 3.60% |
| | Total Revenue | 2,237.20 | 100.00% | 425.47 | 100.00% |
| III | Expenses: | | | | |
| | Employee Benefit Expenses | 1,042.29 | 46.59% | 350.55 | 82.39% |
| | Finance Costs | 87.32 | 3.90% | 1.18 | 0.28% |
| | Depreciation and Amortisation Expenses | 51.80 | 2.32% | 10.34 | 2.43% |
| | Other Expenses | 382.77 | 17.11% | 68.82 | 16.17% |
| | | 1,564.18 | 69.92% | 430.89 | 101.27% |
| IV | Profit/(Loss) Before Tax | 673.02 | 30.08% | (5.42) | (1.27)% |
| V | Tax Expenses: | | | | |
| | 1. Current Tax | 132.04 | 5.90% | 0.10 | 0.02% |
| | 2. Deferred Tax | 80.16 | 3.58% | (3.92) | (0.92)% |
| | Total Tax Expenses | 212.20 | 9.49% | (3.82) | (0.90)% |
| VI | Profit/(Loss) for the Year | 460.82 | 20.60% | (1.60) | (0.38)% |
| | Share of Non Controlling Interest | (1.71) | (0.08)% | (0.88) | (0.21)% |
| | Profit/ (Loss) Attributable to the Group for the year | 462.53 | 20.67% | (0.72) | (0.17)% |
| VII | Other Comprehensive Income/(Loss) | | | | |
| | (A) (i) Items that will not be reclassified to profit or loss | (1.12) | (0.05)% | 0.31 | 0.07% |
| | (ii) Less : Income tax relating to items that will not be reclassified to profit or loss | - | 0.00% | 0.09 | 0.02% |
| | (B) (i) Items that will be reclassified to profit or loss | - | 0.00% | - | 0.00% |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | 0.00% | - | 0.00% |
| | Total Other comprehensive income/(loss) | (1.12) | (0.05)% | 0.22 | 0.05% |
| | Share of Non Controlling Interest | (0.00) | 0.00% | 0.01 | 0.00% |
| | Other Comprehensive Income/ (Loss) Attributable to the Group for the year | (1.12) | (0.05)% | 0.21 | 0.05% |

| | Particulars | For the year ended March 31, 2018 | % of Total Revenue | For the year ended March 31, 2017 | % of Total Revenue |
|--|--|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | Total comprehensive income / (loss) for the year | 461.41 | 20.62% | (0.51) | (0.12)% |

Components of Income and Expenditure

Income

Our income comprises of revenue from operations and other income.

Revenue from operations:

Our revenue from operations increased to ₹ 2,210.32 million for Fiscal 2018 from ₹ 410.14 million for Fiscal 2017, representing an increase of 438.92%. The following table sets out the break-up of revenue from operations and as a percentage of revenue from operations for the periods indicated:

| (₹ in million) | For the year ended March 31, 2018 | For the year ended March 31, 2017 | % change |
|--|-----------------------------------|-----------------------------------|----------------|
| Mutual Fund Distribution Income | 889.05 | 234.88 | 278.51% |
| Advisory Fees | 41.62 | 0.29 | N.M. |
| Income from Distribution & Sale of Financial Product | 646.94 | 142.69 | 353.39% |
| Gain on Derivative Transaction | 588.63 | 1.30 | N.M. |
| IT Enabled Services | 17.18 | 3.38 | 408.28% |
| Business support - fees | 26.90 | 27.60 | (2.54)% |
| Total Revenues from operations | 2,210.32 | 410.14 | 438.92% |

N.M. – Not Meaningful

This increase was primarily because of the following factors:

- 1) Our Company acquired the wealth management business from ARAL and acquired FWSPL in Fiscal 2017 and therefore, consolidated financials for Fiscal 2017 only reflects part of the financial performance of wealth management business acquired from ARAL and FWSPL as compared to consolidated financials for Fiscal 2018 which reflects the financial performance of the wealth management business and FWSPL for the entire Fiscal.
- 2) Our Company acquired the wealth management business of Religare Wealth Management Limited in Fiscal 2017. Pursuant to this acquisition, our Company acquired the rights and obligations with respect to third party mutual fund products distributed to its clients, and the right to receive trail income on such mutual fund products.
- 3) Increase in AuA by 75.21% to reach ₹ 169.97 billion at the end of July 2018 from ₹ 97.01 billion at the end of Fiscal 2017.

Other income:

Other income increased by ₹ 11.55 million to ₹ 26.88 million for Fiscal 2018 from ₹ 15.33 million for Fiscal 2017, representing an increase of 75.34%. This increase in other income was primarily due to increase in miscellaneous and other income which mainly comprises of Business Support Charges and Appreciation in Value of Mutual Fund and which was partially offset by the decrease in gain on sale of investments.

Expenditure

Our expenses comprise of (i) employee benefit expenses; (ii) other expenses; (iii) depreciation and amortisation expenses; and (iv) finance costs.

Employee benefit expenses:

Employee benefit expenses increased by ₹ 691.74 million to ₹ 1,042.29 million for Fiscal 2018 from ₹ 350.55 million for Fiscal 2017, representing an increase of 197.33%. This increase was primarily due to increase in total employees. Our Company completed the acquisition of wealth management business from ARAL and the acquisition of FWSPL in Fiscal 2017 and acquisition of wealth management business of Religare Wealth Management Limited was completed in Fiscal 2017 and therefore employee benefit expenses for Fiscal 2017 did not reflect the expenses associated with full year of employment of such employees as has been captured in Fiscal 2018.

Other expenses:

Other expenses increased by ₹ 313.95 million to ₹ 382.77 million for Fiscal 2018 from ₹ 68.82 million for Fiscal 2017, representing an increase of 456.19%. Business support charges increased by ₹ 79.94 million on account of increased scale of operations and sharing of common cost, business promotion and marketing expenses increased by ₹ 58.02 million or 333.07% owing to an increase in promotional activity and events conducted in the course of our business. Rent, rates and taxes increased by ₹ 36.36 million or 374.46% due to set up of new offices on leasehold premises across geographies. Travelling and conveyance expenses increased by ₹ 27.50 million or 192.44% which was in line with our larger employee base and increased scale of operations.

Finance costs:

Finance costs increased by ₹ 86.14 million to ₹ 87.32 million for Fiscal 2018 from ₹ 1.18 million for Fiscal 2017. This increase in our finance costs was primarily due to interest paid on the moving balance of loans and inter-corporate deposits availed by our Company in the course of the fiscal to fund our working capital requirements.

Depreciation and Amortisation Expenses:

Depreciation and amortisation expenses increased by ₹ 41.46 million to ₹ 51.80 million for Fiscal 2018 from ₹ 10.34 million for Fiscal 2017, representing an increase of 400.97%. This increase in our depreciation and amortisation expenses was mainly due to amortisation of the one-time payment made to Religare Wealth Management Limited for their customer relationships, as well as amortization of software.

Profit/ (loss) before Tax

For the reasons discussed above, profit before tax was ₹ 673.02 million in Fiscal 2018 compared to ₹ (5.42) million in Fiscal 2017.

Tax expenses:

Our total tax expenses increased by ₹ 216.02 million to ₹ 212.20 million for Fiscal 2018 from ₹ (3.82) million for Fiscal 2017. Our current tax increased by ₹ 131.94 million to ₹ 132.04 million for Fiscal 2018 from ₹ 0.10 million for Fiscal 2017 on account of improved profit before tax as set off for MAT credit availed during the fiscal. Our deferred tax expenses increased by ₹ 84.08 million to ₹ 80.16 million for Fiscal 2018 from ₹ (3.92) million for Fiscal 2017 mainly due to fair valuation of financial instruments.

Profit for the year:

Primarily due to the reasons discussed above, our profit for the year increased by ₹ 462.42 million to ₹ 460.82 million for Fiscal 2018 from ₹ (1.60) million for Fiscal 2017.

Total comprehensive income for the year:

Our total comprehensive income for the year was ₹ 461.41 million in Fiscal 2018 as compared to ₹ (0.51) million in Fiscal 2017.

Fiscal 2017 (Standalone) vs Fiscal 2016 (Standalone)

| | Particulars | For the year ended March 31, 2017 | % of Total Revenue | For the year ended March 31, 2016 | % of Total Revenue |
|-----|--|-----------------------------------|--------------------|-----------------------------------|--------------------|
| I | Revenue From Operation | 369.47 | 94.11% | 4.75 | 65.88% |
| II | Other Income | 23.13 | 5.89% | 2.46 | 34.12% |
| | Total Revenue | 392.60 | 100.00% | 7.21 | 100.00% |
| III | Expenses: | | | | |
| | Employee Benefit Expenses | 330.25 | 84.12% | 0.96 | 13.31% |
| | Finance Costs | 7.81 | 1.99% | 0.03 | 0.42% |
| | Depreciation and Amortisation Expenses | 0.09 | 0.02% | - | 0.00% |
| | Other Expenses | 49.39 | 12.58% | 4.29 | 59.50% |
| | | 387.54 | 98.71% | 5.28 | 73.23% |
| IV | Profit/(Loss) Before Tax | 5.06 | 1.29% | 1.93 | 26.77% |
| V | Tax Expenses: | | | | |
| | 1. Current Tax | - | 0.00% | 0.36 | 4.99% |
| | 2. Deferred Tax | (3.93) | (1.00)% | - | 0.00% |
| | Total Tax Expenses | (3.93) | (1.00)% | 0.36 | 4.99% |
| VI | Profit/(Loss) for the year | 8.99 | 2.29% | 1.57 | 21.78% |
| VII | Other Comprehensive Income/(Loss) | | | | |
| | (A) (i) Items that will not be reclassified to profit or loss | 0.30 | 0.08% | - | 0.00% |
| | (ii) Less : Income tax relating to items that will not be reclassified to profit or loss | - | 0.00% | - | 0.00% |
| | (B) (i) Items that will be reclassified to profit or loss | - | 0.00% | - | 0.00% |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | - | 0.00% | - | 0.00% |
| | Total other comprehensive income/(loss) | 0.30 | 0.08% | - | 0.00% |
| | Total comprehensive income / (Loss) for the year | 9.29 | 2.37% | 1.57 | 21.78% |

Components of Income and Expenditure

Income

Our income comprises of revenue from operations and other income.

Revenue from operations:

Revenue from operations increased to ₹ 369.47 million for Fiscal 2017 from ₹ 4.75 million for Fiscal 2016, representing an increase of ₹ 364.72 million. The following table sets out the break-up of revenue from operations and as a percentage of revenue from operations for the periods indicated:

| <i>(₹ in million)</i> | For the year ended March 31, 2017 | For the year ended March 31, 2016 | % change |
|--|--|--|---------------------|
| Mutual Fund Distribution Income | 225.48 | - | <i>N.M.</i> |
| Income from Distribution & Sale of Financial Product | 142.69 | 4.75 | <i>N.M.</i> |
| Gain on Derivative Transaction | 1.30 | - | <i>N.M.</i> |
| Total Revenues from operations | 369.47 | 4.75 | <i>N.M.</i> |

N.M. – Not Meaningful

This increase was primarily due to the following factors:

- 1) In Fiscal 2016, our Company did not generate any revenue from its wealth management business. It was only after transfer of PWM business from ARAL in Fiscal 2017 that our Company commenced operations in wealth management. The revenue from operations in Fiscal 2017 resulted largely from the mutual fund distribution income, income from distribution and sale of financial product that resulted from commencement of operations.

Other income:

Other income increased by ₹ 20.67 million to ₹ 23.13 million for Fiscal 2017 from ₹ 2.46 million for Fiscal 2016, representing an increase of 840.24%. This increase in our other income was primarily due to gain on sale of investments and interest income.

Expenditure

Our expenses comprise of (i) employee benefit expenses; (ii) other expenses; (iii) depreciation and amortisation expenses; and (iv) finance costs.

Employee benefit expenses:

Employee benefit expenses increased by ₹ 329.29 million to ₹ 330.25 million for Fiscal 2017 from ₹ 0.96 million for Fiscal 2016. Since the time our Company commenced PWM business operations in Fiscal 2017, there was an increase in the employee strength on the payrolls of our Company, resulting in proportionate increase in the salaries, incentives and allowances, contribution to provident and other funds, share based payments to employees and other staff welfare expenses.

Other expenses:

Other expenses increased by ₹ 45.10 million to ₹ 49.39 million for Fiscal 2017 from ₹ 4.29 million for Fiscal 2016. This increase was primarily due to commencement of PWM business which resulted in our Company incurring various expenditures in the course of business, such as business promotion and marketing expenses, rent, rate and taxes, communication expenses, printing and stationary and travelling & conveyance expenses. Business promotion and marketing expenses increased by ₹ 14.96 million owing to an increase in promotional activity and events conducted in the course of our business. Travelling and conveyance expenses increased by ₹ 12.38 million which was in line with our larger employee base and increased scale of operations.

Finance costs:

Finance costs increased by ₹ 7.78 million to ₹ 7.81 million for Fiscal 2017 from ₹ 0.03 million for Fiscal 2016. This increase in our finance costs was primarily due to interest paid on the moving balance of loans and inter-corporate deposits availed by our Company in the course of the fiscal to fund our working capital requirements.

Depreciation and Amortisation Expenses:

Depreciation and amortisation Expenses increased to ₹0.09 million for Fiscal 2017. We did not incur depreciation and amortisation expenses for Fiscal 2016. This increase in depreciation and amortisation expenses was primarily due to depreciation of computer equipment, vehicles and office equipment acquired during the course of the Fiscal.

Profit before Tax

For the reasons discussed above, profit before tax was ₹5.06 million in Fiscal 2017 compared to ₹ 1.93 million in Fiscal 2016.

Tax expenses:

Tax expenses decreased by ₹ 4.29 million to ₹ (3.93) million for Fiscal 2017 from ₹ 0.36 million for Fiscal 2016. This decrease was due to increase in deferred tax assets, which resulted in a negative tax expense.

Profit for the year:

Primarily due to the reasons discussed above, our profit for the year increased by ₹ 7.42 million to ₹ 8.99 million for Fiscal 2017 from ₹ 1.57 million for Fiscal 2016, representing an increase of 472.61%.

Total comprehensive income for the year:

Our total comprehensive income for the year was ₹ 9.29 million in Fiscal 2017 as compared to ₹ 1.57 million in Fiscal 2016.

Liquidity and Capital Resources

As of March 31, 2018, our consolidated cash and cash equivalents were ₹ 5.68 million. In addition, as on March 31, 2018, our Company had ₹ 500.82 million in investments in mutual funds at fair value on a consolidated basis. Our financing requirements are primarily for working capital, capital expenditure towards office and investment into subsidiaries.

We fund our operations and capital requirements primarily through cash flows from revenue from operations and borrowings. We expect that cash flow from revenue from operations will continue to be our principal sources of cash in the long term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the progress of our mutual fund products, acquisition opportunities and market conditions. For further information, see “*Financial Indebtedness*” and “*Financial Information*” on page 353 and 207, respectively.

The following table sets forth our cash flows for the periods indicated:

| Particulars (₹ in million) | 2018 (consolidated) | 2017 (consolidated) |
|--|----------------------------|----------------------------|
| Net cash flow from operating activities | 929.13 | (31.62) |
| Net cash from investing activities | (872.33) | (266.50) |
| Net cash from financing activities | (77.64) | 319.20 |
| Net increase / (decrease) in cash and cash equivalents | (20.84) | 21.08 |
| Cash and cash equivalents - Opening Balance | 26.52 | 5.44 |
| Cash and cash equivalents - Closing Balance | 5.68 | 26.52 |

| Particulars (₹ in million) | 2016 (standalone) proforma |
|--|-----------------------------------|
| Net cash flow from operating activities | 2.72 |
| Net cash from investing activities | 2.46 |
| Net cash from financing activities | (0.03) |
| Net increase / (decrease) in cash and cash equivalents | 5.15 |
| Cash and cash equivalents - Opening Balance | 0.29 |

| Particulars (₹ in million) | 2016 (standalone) proforma |
|---|-----------------------------------|
| Cash and cash equivalents - Closing Balance | 5.44 |

Net cash flow from operating activities

Fiscal 2018 (consolidated)

Net cash generated from operating activities was ₹929.13 million for Fiscal 2018. While our net profit before tax and extraordinary items was ₹673.02 million for Fiscal 2018, our operating profit before working capital changes stood at ₹522.47 million, primarily due to adjustments owing to (i) non-operating income/ expenses including interest expenses for ₹87.32 million, gain on sale of investment for ₹(3.38) million, interest income for ₹(1.30) million and gain on sale of fixed assets for ₹(0.50) million and (ii) adjustment of non-cash expenses including ₹51.80 million for depreciation and amortization and impact of fair value of financial instruments to the extent of ₹(284.49) million. Changes in working capital for the Fiscal primarily consisted of adjustment for short term borrowing & other current liabilities of ₹598.75 million, trade receivables & other/ financial current assets of ₹24.57 million and change in ESOP outstanding of ₹0.03 million, which was partially offset by security deposits given for ₹(12.93) million. This was further adjusted for direct taxes paid (net) for ₹ (203.76) million.

Fiscal 2017 (consolidated)

Net cash generated from operating activities was ₹(31.62) million for Fiscal 2017. While the net profit before tax and extraordinary items was ₹(5.42) million for Fiscal 2017, our operating profit before working capital changes stood at ₹ (7.60) million, primarily due to adjustments owing to (i) non-operating income/ expenses including interest expenses for ₹1.18 million, dividend for ₹ (0.56) million, gain on sale of investment for ₹(14.16) million, interest income for ₹(0.31) million and loss on sale of fixed assets for ₹1.33 million and (ii) adjustment of non-cash expenses including ₹ 10.34 million for depreciation. Changes in working capital for the Fiscal primarily consisted of adjustment for short term borrowing & other current liabilities of ₹161.41 million and change in ESOP outstanding of ₹0.04 million, which was partially offset by trade receivables & other/ financial current assets of ₹(152.09) million security deposits given for ₹(10.96) million. This was further adjusted for direct taxes paid (net) for ₹ (22.42) million.

Fiscal 2016 (standalone)

Net cash generated from operating activities was ₹2.72 million for Fiscal 2016. While the net profit before tax and extraordinary items was ₹1.93 million for Fiscal 2016, our operating profit before working capital changes stood at ₹ (0.50) million, primarily due to adjustments owing to non-operating income/ expenses including interest expenses for ₹0.03 million, interest income for ₹(1.26) million and dividend for ₹(1.20) million. Changes in working capital for the Fiscal primarily consisted of adjustment for trade receivables & other current / financial assets for ₹(0.72) million and other financial / current liabilities for ₹4.81 million. This was further adjusted for direct taxes paid (net) for ₹ (0.87) million.

Net cash flow used in Investing Activities

Fiscal 2018 (consolidated)

Net cash used in investing activities was ₹872.33 million in Fiscal 2018, which consisted of purchase of other investments worth ₹496.62 million, loans given of ₹150.00 million, acquisition of intangible assets worth ₹89.12 million, investment into intangible assets under development of ₹31.78 million dilution of NCI worth ₹69.03 million, purchase of fixed assets of ₹34.56 million and investments in fixed deposits of ₹2.52 million. These were offset in part by interest income of ₹(1.30) million.

Fiscal 2017 (consolidated)

Net cash used in investing activities in Fiscal 2017 was ₹266.50 million. It consisted of sale of other investments worth ₹56.59 million, dividend of ₹0.56 million and interest income of ₹0.31 million, offset by investment into intangible assets under development of ₹202.83 million, acquisition of intangible assets worth ₹98.78 million, purchase of fixed assets worth 21.98 million and investments in fixed deposits of ₹0.37 million.

Fiscal 2016 (standalone)

Net cash generated in investing activities in Fiscal 2016 was ₹2.46 million. It consisted of dividend worth ₹1.20 million and interest income worth ₹1.26 million.

Net cash flow used in Financing Activities

Fiscal 2018 (consolidated)

Net cash used in financing activities in Fiscal 2018 was ₹77.64 million, which was primarily due to loan repayment of ₹246.22 million and interest expenses of ₹87.32 million, which was offset partially by issue of shares worth ₹255.90 million.

Fiscal 2017 (consolidated)

Net cash generated in financing activities in Fiscal 2017 was ₹319.20 million, which was primarily due to loan taken of ₹253.08 million and issue of shares worth ₹67.30 million, which was offset partially by interest expenses of ₹1.18 million.

Fiscal 2016 (standalone)

Net cash used in financing activities in Fiscal 2016 was ₹0.03 million, due to interest expenses of ₹0.03 million.

Contractual Obligations

Off-Balance Sheet Transactions

Except as disclosed in our Restated Consolidated Financial Information or elsewhere in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are accounted for in respect of present obligations arising out of past events where it is probable that an outflow of resources will be required to settle the obligation and the amounts of which can be reliably estimated. Provisions are determined on the basis of best estimate of the outflow of economic benefits required to settle the obligation as at the date of the relevant balance sheet. Where no reliable estimate can be made, a disclosure is made as contingent liability.

Contingent liabilities

The following table sets out our contingent liability as on March 31, 2018 on a consolidated basis:

| Particulars | March 31, 2018 (₹ million) |
|--------------------|-----------------------------------|
| For AY 2013-14 | 4.17 |
| For AY 2015-16 | 11.44 |
| Total | 15.60 |

Contingent assets

Contingent assets are neither recognized nor disclosed in our financial statements.

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, intercompany loans, lease or purchase of assets or property, sale or purchase of equity

shares or entail incurrence of indebtedness. For details of our related party transactions, see “*Related Party Transactions*” on page 206 of this Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosures

Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, commodity risk, credit risk, inflation risk and foreign currency exchange risk.

Competitive Conditions

The Indian wealth management sector is highly competitive and sees intense competition between bank and non-bank wealth management companies. We compete against domestic and international players for market share.

Seasonality

We are not subject to seasonal fluctuations in results of operations and cash flow.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which, in our judgment, would be considered “unusual” or “infrequent.”

Known Trends or Uncertainties

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on the revenues or income of our Company from continuing operations.

Significant regulatory changes

Except as disclosed in “*Regulations and Policies*” on page 158 of this Draft Red Herring Prospectus, there have been no regulatory changes that have materially affected our business.

New Product or Business Segments

Other than as described in this Draft Red Herring Prospectus, there are no new products or business segments in which we operate.

Future Relationships Between Costs and Income

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge there are no known factors which will have a material adverse impact on the operations or finances of our Company and its subsidiaries.

Reservations, qualifications or adverse remarks by Auditors

There are no reservations, qualifications or adverse remarks of statutory auditors in the last five financial years immediately preceding the year of issue of this Draft Red Herring Prospectus.

Significant Developments after March 31, 2018 that may affect our future results of operations

After March 31, 2018 and as of the date of this Draft Red Herring Prospectus, except as otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

Significant Economic Changes that materially affected or are likely to affect Income from Continuing Operations

See “*Risk Factors—Political, economic and social developments in India could adversely affect our business.*” on page 38 of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association, subject to applicable laws, and pursuant to the board resolution passed on November 28, 2016 and the Shareholders' resolution dated December 26, 2016, our Board has been authorised to borrow sums of money with or without security, which, together with the monies borrowed by our Company shall not exceed the amount of ₹ 3,000 million. For further details, please see the section titled “*Our Management*” on page 169 of this Draft Red Herring Prospectus.

Set forth below is a brief summary of our Company's aggregate borrowings as on August 31, 2018:

Category of borrowing:

I. Secured Borrowings

Auto-Loans:

Our Company has availed auto-loan facilities from various banks amounting to ₹ 9.37 million. As of August 31, 2018, the total outstanding pertaining to these auto-loan facilities was ₹ 7.21 million. The interest rate for these facilities availed by our Company ranges from 8% per annum to 11% per annum. The tenor typically ranges from 36 months to 60 months.

II. Unsecured Borrowings

Our Company has entered into the following inter-company loan agreements:

| Lender | Sanction amount (in ₹ million) | Outstanding amount as on August 31, 2018 (in ₹ million) | Interest rate | Tenure/ Repayment |
|--------------|-----------------------------------|--|---------------|-------------------------|
| ARGFL | 300 | 1.73 | 11% | Repayable on demand. |
| ARSSBL | 1,500 | 433.38 | | |
| Total | 1,800 | 435.11 | | |

For details of the outstanding loan obligations of our Company for the last five Fiscals, please see “*Financial Information – Annexure V – Note 17(i) and Note 17(ii)*” of Restated Consolidated Financial Information, “*Financial Information – Annexure V – Note 15(i) and Note 15(ii)*” of Restated Standalone Financial Information on pages 230 and 282 of this Draft Red Herring Prospectus, respectively.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving our Company, Subsidiaries, Directors, Promoters and Group Companies are described in this section in the manner as detailed below.

Except as stated in this section, as of the date of this Draft Red Herring Prospectus, there are no (i) outstanding criminal proceedings involving our Company, Subsidiaries, Directors, Promoters or Group Companies; (ii) outstanding actions taken by statutory or regulatory authorities against our Company, Subsidiaries, Directors, Promoters or Group Companies; (iii) outstanding claims involving our Company, Subsidiaries, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (iv) outstanding material civil litigation involving our Company, Subsidiaries, Directors, Promoters and Group Companies; (v) outstanding dues to small scale undertakings and other creditors of our Company; and (vi) compounding applications filed by our Company.

It is clarified that for the purposes of the above, pre-litigation notices (other than notices involving actions by statutory or regulatory authorities which are currently pending) received by our Company, Subsidiaries, Directors, Promoters or Group Companies shall not be considered as litigation until such time that our Company, Subsidiaries, Directors, Promoters or Group Companies, as the case may be, is impleaded as defendant or respondent in litigation proceedings before any judicial fora.

Certain of our Promoters and Group Companies are regulated entities, namely, Freedom Wealth Solutions Private Limited, Anand Rathi Share and Stock Brokers Limited, Anand Rathi Commodities Limited and Anand Rathi Advisors Limited are regulated by SEBI, Anand Rathi Global Finance Limited is regulated by RBI and Anand Rathi Insurance Brokers Limited is regulated by IRDA. In the normal course of business, these entities are subjected to regulatory oversight and inspection. During the course of such inspection, certain entities are in receipt of observations/ letters of deficiency/ advisories from their respective regulators mandating corrective actions be taken by them in this regard. Such matters are dealt with by the respective entities, as appropriate, including by taking corrective actions and/ or bringing it to the notice of their respective boards of directors. Further, our Company, Subsidiaries and Group Companies, in the regular course of their respective businesses receive correspondence from regulatory authorities to facilitate them in relation to ongoing investigation against their clients. Accordingly, such correspondences are not included in this Draft Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal litigation involving our Company

There are no criminal proceedings involving our Company that are outstanding as of the date of this Draft Red Herring Prospectus.

B. Outstanding civil litigation involving our Company

As regards civil litigation, given the nature and extent of operations of our Company, our Board has, pursuant to its resolution dated March 15, 2018, considered outstanding civil litigation involving our Company wherein the aggregate amount involved exceeds the lower of 1% of the total consolidated revenue or 5% of the restated consolidated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company as of March 31, 2018, to be material for our Company.

Accordingly, we have only disclosed all outstanding civil litigations involving our Company wherein the aggregate amount involved exceeds ₹ 22.37 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation is expected to have a material adverse bearing on the business, operations, financial position or reputation of our Company.

There is no outstanding civil litigation involving our Company which exceeds ₹ 22.37 million. Further, there is no outstanding civil litigation wherein the monetary liability is not quantifiable, whose outcome is expected to have a material adverse bearing on the business, operations, financial position or reputation of our Company.

C. Outstanding actions by statutory or regulatory authorities against our Company

Nil.

D. Dues owed to small scale undertakings or any other creditors

Our Board has approved, by way of its resolution dated March 15, 2018, that small scale undertakings and creditors of our Company to whom the amount due exceeds 5% of the total dues owed to the small scale undertakings and other creditors of our Company shall be termed as 'material' creditors of our Company and, accordingly, we have disclosed consolidated information of outstanding dues owed to small scale undertakings and other creditors, separately giving details of number of cases and amount for all dues where the amount due by our Company exceeds ₹ 2.69 million.

As of March 31, 2018, we, in our ordinary course of business, had an aggregate amount of ₹ 53.84 million, which is due towards sundry and other creditors on a consolidated basis. As of March 31, 2018, the outstanding dues are as follows:

| Particulars | Number of creditors | Amount involved (in ₹ million) |
|--------------------------|----------------------------|---------------------------------------|
| Small scale undertakings | Nil | Nil |
| Material creditors | Nil | Nil |
| Other dues to creditors* | 54 | 53.84 |

**Other dues to creditors comprise salaries and benefits accrued to our employees, aggregating to ₹ 49.07 million considered as one single creditor.*

The details pertaining to amounts due towards such other creditors are available on the website of our Company at the following link: <https://rathi.com/wealthmanagement/wealth/investor.php>. The details in relation to other creditors and amount payable to each such creditor available on the website of our Company do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any such source of information, including our Company's website, would be doing so at their own risk.

E. Tax proceedings involving our Company

There are no tax proceedings involving our Company that are outstanding as of the date of this Draft Red Herring Prospectus.

II. Compounding applications filed by our Company

Our Company has, on September 20, 2018, filed three compounding applications with the RoC under the Companies Act, seeking compounding of certain non-compliances under the Companies Act, 2013 by our Company and its officers in default in relation to: (a) a delay in appointment of requisite number of independent directors for a period of eight months; (b) a delay in the constitution of the audit committee for a period of 11 months; and (c) a delay in the constitution of the nomination and remuneration committee for a period of 11 months. These matters are currently pending before the RoC.

III. Litigation involving our Subsidiaries

A. Outstanding criminal litigation involving our Subsidiaries

There is no criminal litigation involving our Subsidiaries that are outstanding as of the date of this Draft Red Herring Prospectus.

B. Outstanding Civil litigation involving our Subsidiaries

As regards civil litigation, given the nature and extent of operations of our Subsidiaries, our Board has, pursuant to its resolution dated March 15, 2018, considered outstanding civil litigation involving any of our Subsidiaries wherein the aggregate amount involved exceeds the lower of 1% of the total consolidated revenue or 5% of the consolidated restated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company as of March 31, 2018, to be material for our Company.

Accordingly, we have only disclosed all outstanding civil litigations involving our Subsidiaries wherein the aggregate amount involved exceeds ₹ 22.37 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation is expected to have material adverse bearing on the business, operations, financial position or reputation of our Company.

There is no outstanding civil litigation involving our Subsidiaries which exceeds ₹ 22.37 million. Further, there is no outstanding civil litigation wherein the monetary liability is not quantifiable, whose outcome is expected to have a material adverse bearing on the business, operations, financial position or reputation of our Company.

C. Actions by statutory or regulatory authorities against our Subsidiaries

Nil.

D. Tax proceedings against our Subsidiaries

| Nature of case | Number of cases | Amount involved, to the extent quantifiable (in ₹ million) |
|----------------|-----------------|--|
| Direct Tax | 2 | 15.60 |
| Indirect Tax | Nil | Nil |

IV. Litigation involving our Directors

A. Outstanding criminal litigation involving our Directors

1. Criminal proceedings by our Directors

There are no criminal proceedings by our Directors that are outstanding as of the date of this Draft Red Herring Prospectus.

2. Criminal proceedings against our Directors

(a) Mr. Anand Rathi

(i) Mr. Amit Kumar Mishra, a client of one of our Group Companies, ARSSBL, has filed a criminal complaint bearing no. 772/2013 in the Court of Additional Chief Judicial Magistrate, Farrukhabad, Uttar Pradesh ("Trial Court") against the franchisee owner of ARSSBL, Mr. Rohan Agarwal and others including Mr. Anand Rathi alleging criminal breach of trust and cheating to the tune of ₹ 0.26 million. The Trial Court by way of its order dated May 7, 2012 summoned Mr. Anand Rathi along with other persons under Sections 406, 420, 418, 120B of IPC. Pursuant to receipt of summons from the trial court, Mr. Anand Rathi filed a quashing petition bearing no. 2243/2014 under Section 482 of Cr.P.C. before the Allahabad High Court. While disposing off the aforesaid quashing petition, the Allahabad High Court, by way of its order dated January 27, 2014 observed that there is no direct evidence against Mr. Anand Rathi and as such no offence is made out against him. However, the Allahabad High Court held that if objection / discharge application is filed on behalf of Mr. Anand Rathi within 30 days through counsel, the court concerned will consider and decide the same expeditiously, at appropriate stage, in accordance with the law. As per the observation made by the Allahabad High Court, an application for discharge was moved by Mr. Anand Rathi before the Court of Judicial Magistrate, Farrukhabad, Uttar Pradesh. The Court of Judicial Magistrate, Farrukhabad, Uttar Pradesh by its order dated August 27, 2014, rejected the application for discharge. A criminal revision petition bearing no. 235/2014 was filed by Mr. Anand Rathi before the Additional Sessions Judge, Farrukhabad which was also dismissed by way of its order dated April 18, 2015. Mr. Anand Rathi has challenged the aforesaid order of Additional Sessions Judge, Farrukhabad, and has filed a criminal misc. writ petition bearing no. 12988/2015 before the Allahabad High Court. The Allahabad High Court by way of its interim order dated May 26, 2015, has, among other things, held that till the next date of listing, no coercive action shall be taken against Mr. Anand Rathi in relation to the criminal case no. 772/2013. The matter in the Allahabad High Court is currently pending.

- (ii) Mr. Bharat Bhushan Gupta, a client of one of our Group Companies, ARSSBL, has lodged an FIR no. 135/09 dated March 13, 2009 before the Kotwali Police Station, Dehradun, against amongst other including Mr. Anand Rathi and Mr. Pradeep Gupta for offences under Sections 420, 406 and 506 of the IPC. Pursuant to investigation conducted, the Kotwali Police Station, Dehradun filed a final report dated August 26, 2009, observing that the matter is of civil nature and in the absence of any evidence no offence is made out against the concerned persons. Aggrieved by the aforementioned final report, Mr. Bharat Bhushan Gupta filed a protest petition no. 3844/2011 (which was subsequently re-numbered as 3990/2012) before the Court of Chief Judicial Magistrate, Dehradun (“**CJM Dehradun**”) praying to reject the final report and take cognizance of the matter. The CJM Dehradun, pursuant to its order dated July 16, 2011 issued summons against Mr. Anand Rathi, Mr. Pradeep Gupta and others for offence under Sections 406 and 467 of IPC.

Mr. Bharat Bhushan Gupta lodged another FIR no. 436/2010 dated October 14, 2010 before the Kotwali Police Station, Dehradun against amongst others including Mr. Anand Rathi and Mr. Pradeep Gupta for offences under Sections 406 and 420/34 of the IPC. Pursuant to an investigation conducted, the Kotwali Police Station, Dehradun, filed a charge sheet dated May 17, 2011 under Section 406/34 of the IPC against amongst others including Mr. Anand Rathi and Mr. Pradeep Gupta which was filed before the Court of Additional Chief Judicial Magistrate (“**ACJM, Dehradun**”) as case no. 3985/2012.

Pursuant to an application dated July 13, 2012, made by the concerned persons (through advocate) ACJM, Dehradun, vide its order dated August 13, 2013 clubbed the abovementioned two cases being case nos. 3990/2012 and 3985/2012 (“**Criminal Proceedings**”).

Mr. Anand Rathi and Mr. Pradeep Gupta filed a discharge application dated September 30, 2013 before the ACJM, Dehradun praying for being discharged from the Criminal Proceedings, which was rejected by the AJM Dehradun pursuant to its order dated August 2, 2014. A criminal revision petition bearing no. 317/2014 was filed by Mr. Anand Rathi and Mr. Pradeep Gupta before IV Additional Sessions Judge, Dehradun praying to set aside the abovementioned order dated August 2, 2014, which was partly allowed directing the ACJM, Dehradun to decide the discharge application on merits. The ACJM, Dehradun pursuant to its order dated October 13, 2015 allowed the abovementioned discharge application and discharged Mr. Anand Rathi and Mr. Pradeep Gupta from the abovementioned offences.

A criminal revision petition bearing no. 11/2016 was filed by Government of Uttarakhand through Government Advocate before the Additional Sessions Judge, Dehradun challenging the abovementioned order dated October 13, 2015. The Additional Sessions Judge, Dehradun, pursuant to its order dated December 7, 2016, confirmed the order dated October 13, 2015. Mr. Bharat Bhushan Gupta has challenged this order dated December 7, 2016 before the Uttarakhand High Court, at Nainital under Section 482 of Cr.P.C. The matter is currently pending.

- (iii) Mr. Vishwanath Pujari, a client of ARSSBL and ARGFL has lodged an FIR bearing no. 0032/2017 dated January 28, 2017 before Banashankari police station, Bangalore for offences under Sections 120B, 418, 403, 409, 406, 420, 471 and 410 of the IPC against amongst others including Mr. Anand Rathi, Mr. Pradeep Gupta and Mr. Amit Rathi alleging loss of ₹ 92 million. While the matter is currently under investigation with the Crime Investigation Department, Bengaluru, our Directors Mr. Anand Rathi, Mr. Pradeep Gupta and Mr. Amit Rathi including others had filed an application for anticipatory bail bearing criminal petition no. 6329/2017 before the Karnataka High Court, which was allowed pursuant to the order dated May 29, 2018, subject to certain conditions. The matter is currently pending.

(b) **Mr. Amit Rathi**

- (i) The Economic Offences Wing, Office of the Assistant Commissioner of Police, SIT, Mumbai (“**EOW**”) pursuant to its letter dated February 24, 2015 issued summons under Section 160 of the Cr.P.C. to Mr. Amit Rathi for examination and recording of statement in relation to the ongoing investigation under EOW CR No. 89/2013 (PS M.R.A. Marg C.R. No. 216/13) under Sections 409, 465, 467, 468, 471, 474, 477(A) read with Section 120(B) of IPC and Sections 3 and 4 of the Maharashtra Protection of Interest of Depositors Act, 1999 (“**MPID Act**”) registered against NSEL, its directors, Financial Technologies India Limited, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach of trust pursuant to a criminal conspiracy

hatched by them. Pursuant to the abovementioned summons, Mr. Amit Rathi appeared before the Assistance Commissioner of Police and Chief Investigation Officer (“**Investigation Officer**”) on March 3, 2015 and was taken into police custody. The Investigation Officer then moved a remand application before the Sessions Court, Special Court, Mumbai (“**Sessions Court**”) under MPID Act on March 4, 2015, March 7, 2015 and March 13, 2015 requesting further police custody of Mr. Amit Rathi and others for further period, which were partially granted, however, the remand application dated March 13, 2015 for further police custody was rejected by the Sessions Court and was remanded to judicial custody. Mr. Amit Rathi made an application dated March 4, 2015, for bail before the Sessions Court, which was allowed pursuant to an order dated March 23, 2015. The matter is currently under investigation by the EOW.

- (ii) Please refer to the criminal litigation involving Mr. Vishwanath Pujari disclosed under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors – Criminal proceedings against Mr. Anand Rathi*’ on page 356 of this Draft Red Herring Prospectus.

(c) **Mr. Pradeep Gupta**

- (a) Please refer to the criminal litigation involving Mr. Bharat Bhushan Gupta disclosed under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors – Criminal proceedings against Mr. Anand Rathi*’ on page 357 of this Draft Red Herring Prospectus.
- (b) Please refer to the criminal litigation involving Mr. Vishwanath Pujari disclosed under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors – Criminal proceedings against Mr. Anand Rathi*’ on page 357 of this Draft Red Herring Prospectus.

B. Outstanding civil litigation involving our Directors

Our Board has, pursuant to its resolution dated March 15, 2018, considered outstanding civil litigation involving any of our Directors wherein the aggregate amount involved exceeds the lower of 1% of the total consolidated revenue or 5% of the consolidated restated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company as of March 31, 2018.

Accordingly, we have only disclosed all outstanding civil litigations involving any of our Directors wherein the aggregate amount involved exceeds ₹ 22.37 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation is expected to have material adverse bearing on the business, operations, financial position or reputation of our Company.

1. Civil Proceedings by our Directors

There are no civil proceedings by our Directors that are outstanding as of the date of this Draft Red Herring Prospectus.

2. Civil proceedings against our Directors

- (a) *Mr. Anand Rathi, Mr. Amit Rathi and Mr. Pradeep Gupta*

Money Magnum Constructions (Partnership Firm) (“**Money Magnum**”) has filed a commercial suit bearing no. COMS/57/2016 dated August 12, 2016 against Anand Rathi Financial Services Limited, Anand Rathi Commodities Limited, Mr. Anand Rathi, Mr. Amit Rathi, Mr. Pradeep Gupta, Ms. Priti Gupta, Mr. Rahul Yadav, Mr. Dhaval Ashar, Mr. Charan Das Arha, Mr. Roop Bhootra, Ms. Pooja Maru, Ms. Supriya Rathi, Mr. Navratnamal Gupta, Ms. Sushiladevi Gupta, Deevee Commercials Limited, VCIGPM Limited, Mr. Jugal Mantri, Ms. Vaneeta Saidha, Mr. A.V. Shrikant and Mr. Kishore Narne, before the Commercial Division of Bombay High Court, praying for an aggregate sum of ₹ 73.15 million with interest thereon against its unsettled trades on NSEL, brokerage/C&F charges and damages. The said matter is currently pending.

C. Outstanding actions by statutory or regulatory authorities against our Directors

- (a) *Mr. Amit Rathi and Mr. Anand Rathi*

Mr. Amit Rathi and Mr. Anand Rathi have received summons from the Assistant Director, Directorate of Enforcement, Mumbai, each dated July 20, 2016 and July 15, 2016, respectively, to appear in person along with requisite documents in connection with an ongoing investigation, bearing file numbers ECIR/MB20/14/2013 and ECIR/14/MZO/2013, respectively, under the provisions of PMLA. The matter is currently pending.

(b) *Mr. Amit Rathi and Mr. Pradeep Gupta*

Mr. Amit Rathi and Mr. Pradeep Gupta have received notice to produce documents (summons under Section 217(1) of the Companies, Act, 2013), from Additional Director (Investigation) Serious Fraud Investigation Office, Ministry of Corporate Affairs, Mumbai, each dated December 26, 2016, in connection with the ongoing investigation against NSEL, under Section 212(1) of the Companies Act, 2013, seeking various details and documents, including, income tax returns and other financial statements, copies of documents submitted before various regulatory authorities, copies of court cases, bank account details, passport details, details of family members and other personal details and details of auditors in connection with the ongoing investigation of NSEL. The matter is currently pending.

D. Tax proceedings against our Directors

Set out herein below are claims relating to direct and indirect taxes involving our Directors:

| Nature of case | Number of cases | Amount involved, to the extent quantifiable (in ₹ million) |
|--------------------------|-----------------|--|
| <i>Mr. Pradeep Gupta</i> | | |
| Direct Tax | 2 | 3.68 |
| Indirect Tax | Nil | Nil |

V. Litigation involving our Promoters

A. Outstanding criminal litigation involving Mr. Anand Rathi or Mr. Pradeep Gupta

1. Criminal proceedings by Mr. Anand Rathi or Mr. Pradeep Gupta

There are no criminal proceedings by Mr. Anand Rathi or Mr. Pradeep Gupta that are outstanding as of the date of this Draft Red Herring Prospectus.

2. Criminal proceedings against Mr. Anand Rathi or Mr. Pradeep Gupta

Please refer to the disclosures under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors - Criminal proceedings against our Directors*’ on page 356 of this Draft Red Herring Prospectus.

B. Outstanding civil litigation involving Mr. Anand Rathi or Mr. Pradeep Gupta

Our Board has, pursuant to its resolution dated March 15, 2018, considered outstanding civil litigation involving Mr. Anand Rathi or Mr. Pradeep Gupta wherein the aggregate amount involved exceeds the lower of 1% of the total consolidated revenue or 5% of the consolidated restated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company as of March 31, 2018.

Accordingly, we have only disclosed all outstanding civil litigations involving Mr. Anand Rathi and Mr. Pradeep Gupta wherein the aggregate amount involved exceeds ₹ 22.37 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation is expected to have material adverse bearing on the business, operations, financial position or reputation of our Company.

1. Civil Proceedings by Mr. Anand Rathi or Mr. Pradeep Gupta

There are no civil proceedings by Mr. Anand Rathi and Mr. Pradeep Gupta that are outstanding as of the date of this Draft Red Herring Prospectus.

2. *Civil proceedings against Mr. Anand Rathi or Mr. Pradeep Gupta*

Please refer to the disclosures under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors - Civil proceedings against our Directors*’ on page 358 of this Draft Red Herring Prospectus.

C. *Outstanding actions by statutory or regulatory authorities against Mr. Anand Rathi or Mr. Pradeep Gupta*

Please refer to the disclosures under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors – Outstanding actions by statutory or regulatory authorities against our Directors*’ on page 358 of this Draft Red Herring Prospectus.

D. *Tax proceedings against Mr. Pradeep Gupta*

Please refer to the disclosures under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors – Tax proceedings against our Directors*’ on page 359 of this Draft Red Herring Prospectus.

Litigation involving ARFSL

A. *Outstanding criminal litigation involving ARFSL*

1. *Criminal proceedings by ARFSL*

There are no criminal proceedings by ARFSL that are outstanding as of the date of this Draft Red Herring Prospectus.

2. *Criminal proceedings against ARFSL*

There are no criminal proceedings against ARFSL that are outstanding as of the date of this Draft Red Herring Prospectus.

B. *Outstanding civil litigation involving ARFSL*

As regards civil litigation, given the nature and extent of operations of ARFSL, our Board has, pursuant to its resolution dated March 15, 2018, considered the outstanding civil litigation involving Anand Rathi Financial Services Limited which exceeds the lower of 1% of the total consolidated revenue or 5% of the consolidated restated profit after tax of our Company, as per the Restated Consolidated Financial Information of our Company as of March 31, 2018, to be material for our Company.

Accordingly, we have only disclosed all outstanding civil litigations involving ARFSL wherein the aggregate amount involved exceeds ₹ 22.37 million. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, financial position or reputation of our Company.

1. *Civil proceedings by ARFSL*

There are no civil proceedings by ARFSL that are outstanding as of the date of this Draft Red Herring Prospectus.

2. *Civil proceedings against ARFSL*

- (i) A civil suit bearing no. CS (COMM) no. 1397/2016 has been filed by a client before the Delhi High Court against, amongst others including ARFSL, and ARAL claiming a total sum of ₹ 34.35 million towards the principal amount, interest and damages thereon for alleged losses suffered by them as a

consequence of the tortuous negligence and/ or fraudulent misrepresentation in advise rendered by ARFSL, ARGFL and ARAL on the basis of which they had advanced monies to Arankari Risk Management Services Private Limited. ARFSL has filed its reply dated March 3, 2017 denying all the allegations. The matter is currently pending.

- (ii) Please refer to the civil litigation involving Money Magnum Constructions disclosed under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors - Civil proceedings against Mr. Anand Rathi, Mr. Amit Rathi and Mr. Pradeep Gupta*’ on page 358 of this Draft Red Herring Prospectus.

C. Outstanding actions by statutory or regulatory authorities against ARFSL

Nil.

D. Tax proceedings against ARFSL

| Nature of case | Number of cases | Amount involved, to the extent quantifiable (in ₹ million) |
|----------------|-----------------|--|
| Direct Tax | 6 | 64.44 |
| Indirect Tax | Nil | Nil |

VI. Litigation involving our Group Companies

A. Outstanding criminal litigation involving our Group Companies

1. Criminal proceedings against our Group Companies:

i) ARCL

Please refer to disclosures under ‘*Outstanding Litigation and Material Developments - Litigation involving our Directors – Criminal proceedings against our Directors – Mr. Amit Rathi*’ on page 357 of this Draft Red Herring Prospectus.

In addition to the above and in furtherance of the same matter, ARCL has received various summons and notices, from time to time from Economic Office Wing, Office of the Senior Inspector of Police and Assistant Police Commissioner & Chief Investigation Officer, EOW, CB, CID, Mumbai, seeking information and documents.

ii) ARSSBL

(a) A client of ARSSBL (formally known as Anand Rathi Securities Limited), has filed a criminal complaint no. 7002/14 dated November 16, 2009, amongst others including ARSSBL, before the Chief Judicial Magistrate, Lucknow alleging cheating, criminal misappropriation and breach of trust in relation to the misappropriation of the sale proceeds of 1,000 shares of Sterling Biotech Limited. The matter is currently pending.

(b) Aggrieved by order dated July 15, 2013 passed by the Judicial Magistrate First Class, Vashi at Belapur in favour of ARSSBL, a client of ARSSBL, has filed a criminal writ petition bearing no. WP/3495/2013 dated September 17, 2013, amongst others including ARSSBL before the Bombay High Court seeking appropriate writ / direction / order for restoration of criminal complaint bearing no. 569 of 2011 and setting aside the abovementioned order. The matter is currently pending.

(c) Please refer to the criminal litigation involving Mr. Vishwanath Pujari disclosed under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors – Criminal proceedings against Mr. Anand Rathi*’ on page 357 of this Draft Red Herring Prospectus.

iii) ARGFL

Please refer to the criminal litigation involving Mr. Vishwanath Pujari disclosed under ‘*Outstanding Litigation and Material Developments – Litigation involving our Directors – Criminal proceedings against Mr. Anand Rathi*’ on page 357 of this Draft Red Herring Prospectus.

2. Criminal proceedings by our Group Companies

i) ARCL

ARCL has filed 37 cases against defaulting clients before various judicial forums under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheques. The aggregate amount involved in these matters is ₹ 12.11 million.

ii) ARGFL

ARGFL has filed nine cases against defaulting clients before various judicial forums under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheques. The amount involved in these matters is ₹ 200.89 million.

iii) ARSSBL

(i) ARSSBL has filed 29 cases (this includes nine cases filed by ARFSL prior to the demerger of its broking business which has not merged with ARSSBL) against defaulting clients before various judicial forums under Section 138 of the Negotiable Instrument Act, 1881 for dishonour of cheques. The aggregate amount involved in these matters is ₹ 22.17 million.

(ii) ARSSBL has filed a criminal complaint (bearing number 26/SW/2010) dated May 26, 2010 against one of its client before the 16th Metropolitan Magistrate Court at Ballard Pier, Mumbai, alleging offences under Section 420 of the IPC. The matter is currently pending.

(iii) ARSSBL has filed a criminal complaint (bearing number 28/SW/2010) dated May 26, 2010 against one of its client before the 16th Metropolitan Magistrate Court at Ballard Pier, Mumbai, alleging offences under Section 420 of the IPC. The matter is currently pending.

(iv) ARSSBL has filed a criminal complaint (bearing no. 232/2017) dated May 8, 2017, against one of its client before the Chief Judicial Magistrate, Chandigarh seeking orders directing the Deputy Superintendent of Police, Economic Offences Wing, Chandigarh, to register an FIR against the mentioned client under Sections 415, 420, 467, 468 and 471 of the IPC. The aggregate amount involved in the matter is ₹ 13.37 million. The matter is currently pending.

(v) ARSSBL has lodged an FIR (bearing no. 02/2018) against a client at Ballygunge, Kolkata police station for alleged offences committed under Section 420/120B of the IPC. The matter is currently under investigation.

(vi) ARSSBL (this case was filed by ARFSL prior to the demerger of its broking business which has merged with ARSSBL) has filed a criminal complaint (bearing number 32/SW/2010) before the Metropolitan Magistrate, 16th Court at Ballard Pier, Mumbai, against a client alleging offences committed under Sections 420, 467, 468 and 471 of IPC. The amount involved in the matter is ₹ 2.71 million. The matter is currently pending.

(vii) ARSSBL (this case was filed by ARFSL prior to the demerger of its broking business which has merged with ARSSBL) has filed a criminal complaint (bearing number 115/SW/2011) before the Metropolitan Magistrate, 38th Court at Ballard Pier, Mumbai against a client alleging offences committed under Sections 405, 406, 409, 420 read with 34, 120B of the IPC. The cumulative amount involved in the matter is \$ 551,900 (₹ 25.75 million). The matter is currently pending.

(viii) ARSSBL (this case was filed by ARFSL prior to the demerger of its broking business which has merged with ARSSBL) has filed a criminal complaint (bearing number 31/SW/2010) before the Metropolitan Magistrate, 16th Court at Ballard Pier, Mumbai, against a client alleging offences committed under Section 420, 465, 467, 468 and 471 of the IPC. The cumulative amount involved in the matter is ₹ 5.77 million. The matter is currently pending.

- (ix) An FIR bearing no. 148/2010 dated March 9, 2010 was registered by ARSSBL (through its employee) (this case was filed by ARFSL prior to the demerger of its broking business which has now merged with ARSSBL) at Jorhat, police station, Assam against an employee for forging signature of one of our client and transferring 992 shares of ONGC Limited belonging to a client in his own demat account. Pursuant to the investigation, a charge sheet was filed and a criminal case bearing G.R. case no. 268/2010 was registered against two of our employees before the Chief Judicial Magistrate, Jorhat for alleged offences committed under Sections 468, 471 and 467/34 of the IPC. One of the accused has filed an application under Section 482 read with Sections 397 and 401 of the Cr.P.C. before the Gauhati High Court challenging the aforesaid criminal proceedings. The matter is currently pending.

B. Outstanding civil litigation involving our Group Companies

As regards, given the nature and extent of operations of our Group Companies, our Board has, pursuant to its resolution dated March 15, 2018, considered outstanding civil litigation involving our Group Companies wherein the aggregate amount involved exceeds the lower of 1% of the total consolidated revenue or 5% of the restated consolidated profit after tax of our Company, as per the Restated Consolidated Financial Information of our Company as of March 31, 2018, to be material for our Company.

Accordingly, we have only disclosed all outstanding civil litigations involving our Group Companies wherein the aggregate amount involved exceeds ₹ 22.37 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation is expected to have a material adverse bearing on the business, operations, financial position or reputation of our Company.

1. Civil litigation against our Group Companies

i) ARCL

- a) Encore Natural Polymers Private Limited (hereinafter referred to as “**Encore**”) (a client of Anand Rathi Commodities Limited) filed a company petition bearing number 192 of 2016 dated October 20, 2015 before the Bombay High Court, against ARCL praying for, among other things, initiation of winding up proceedings against ARCL under Sections 433(e) and 434 of the Companies Act, 1956, alleging failure and neglect to a pay sum of ₹ 14.57 million against his unsettled trades on NSEL’s platform. By way of an order dated September 27, 2017 (“**Impugned Order**”), the Bombay High Court directed ARCL to, among other things, deposit the sum of ₹ 14.57 million, with the Bombay High Court, within a period of eight weeks, failing which the matter would stand revived, admitted and returnable within six weeks from the date of default and be advertised in two local newspapers. Pursuant to the Impugned Order, ARCL filed an appeal before the division bench of the Bombay High Court on November 20, 2017 for, among other things, setting aside the Impugned Order. The said matter is currently pending.
- b) Encore filed a commercial summary suit bearing no. 808 of 2017 under the Code of Civil Procedure, 1908, dated September 16, 2017, before the Commercial Division of the Bombay High Court, praying for recovery of sum of ₹25.54 million (which includes the principal amount of ₹ 14.57 million and interest thereon of ₹ 10.96 million till the date of filing of the present suit) and further interest at the rate of 18% on ₹ 14.57 million till payment/ realisation. Since ARCL has challenged the above-mentioned order, dated September 27, 2017 passed in company petition bearing no. 192 of 2016 (stated in (i) above), the Bombay High Court, by way of its order, dated July 23, 2018 removed the matter from the board with liberty to Encore to apply after disposal of ARCL’s appeal. The matter is currently pending.
- c) Two clients of ARCL, namely Modern India Limited and L. J. Tanna Shares and Securities Private Limited, have filed civil suits before the Bombay High Court claiming certain amounts from NSEL, its holding company Financial Technologies (India) Limited, its directors and officials. Certain brokers of NSEL including ARCL have been made parties to these matters, though no specific reliefs have been sought against ARCL in either of these matters. In relation to the aforesaid suits and certain other matters pertaining to NSEL, the Bombay High court constituted a committee vide its order dated September 2, 2014 (“**High Court Committee**”) to collect and verify information on amounts payable by NSEL to its non-defaulting members and amounts payable by non-defaulting members to their

respective clients. In order to ascertain the claims against NSEL and brokers, the High Court Committee issued a public notice dated May 20, 2015, in response to which 813 persons claiming to be clients of ARCL have filed their claims with the High Court Committee. The High Court Committee has issued a notice to ARCL dated December 23, 2017 seeking certain information in relation to clients of ARCL and the amounts due and payable to the clients on accounts of transactions on NSEL as well as amounts claimed by ARCL from NSEL. Thereafter, the High Court Committee has issued a further notice dated September 21, 2018 directing ARCL to furnish copies of ledger accounts of NSEL pertaining to 72 clients of ARCL. Further, the High Court Committee has directed ARCL to appear before it on October 8, 2018 for consideration of claims of ARCL and its clients against NSEL. ARCL is currently in the process of responding to the notice dated September 21, 2018.

- d) Please refer to the civil litigation involving Money Magnum Constructions disclosed under '*Outstanding Litigation and Material Developments – Litigation involving our Directors – Civil proceedings against Mr. Anand Rathi, Mr. Amit Rathi and Mr. Pradeep Gupta*' on page 358 of this Draft Red Herring Prospectus.

ii) **ARGFL**

Please refer to '*Outstanding Litigation and Material Developments – Outstanding civil litigation involving our Promoters – Litigation involving Anand Rathi Financial Services Limited – Civil proceedings against ARFSL*' on page 360 of this Draft Red Herring Prospectus.

iii) **ARSSBL**

Mr. Surender Kumar, an ex-employee of ARSSBL, Chandigarh branch has filed a case bearing no. 25/2018 dated April 17, 2018 against ARSSBL before the Presiding Officer, Industrial Tribunal-cum-Labour Court, Chandigarh, under Section 10(1)(C) of the Industrial Disputes Act, praying for him being re-instated with continuity of service with interest of 18% per annum on arrears of pay from the date of termination till the date of release along with consequential benefits. ARSSBL has filed its reply dated May 28, 2018, disputing the claims made by the abovementioned employee. The matter is currently pending.

iv) **ARAL**

Please refer to '*Outstanding Litigation and Material Developments – Outstanding civil litigation involving our Promoters – Litigation involving Anand Rathi Financial Services Limited – Civil proceedings against ARFSL*' on page 360 of this Draft Red Herring Prospectus.

2. ***Civil litigation by our Group Companies***

i) **ARCL**

ARCL had initiated arbitration proceedings against one of its client for recovery of outstanding amount of ₹ 47.60 million. The Arbitrator, pursuant to its award dated November 24, 2014 directed the client to pay ₹ 47.60 million. The client has filed an arbitration petition bearing no. A.S./25002/2015 date July 30, 2015 before the City Civil and Sessions Judge, Bengaluru under section 34 of the Arbitration and Conciliation Act, 1996 challenging the abovementioned arbitral award dated November 24, 2014. ARCL has filed an application dated March 17, 2016 asking the court to direct the client to comply with the pre-deposit conditions as per MCX bye-laws. The matter is currently pending.

ii) **ARGFL**

ARGFL has filed a company petition no. 717 of 2015 before the High Court of Calcutta against one of its borrower company, Network Industries Limited for initiating the winding up proceedings for the recovery of outstanding dues of ₹ 70.29 million together with interest thereon at the rate of 24% per annum to be calculated from the date of abovementioned petition till the date of realisation. The borrower company was directed to pay ARGFL a sum of ₹ 47.50 million along with interest of 6% per annum to be calculated from the date of statutory notice failing which the winding-up petition would automatically stand revived. The matter is currently pending.

iii) **ARSSBL**

- (a) ARSSBL has filed an appeal bearing no. 286/2017 dated September 22, 2017 under Section 23(L) of the SCRA before Securities Appellate Tribunal for challenging an order dated July 7, 2017 passed by the designated authority of NSE whereby ARSSBL's application for annulment of trades executed on September 27, 2013 was resulting in mark to market loss of around ₹ 47.1 million was rejected. During pendency of this appeal, two of the respondents (counter parties to the subject trades) have settled the matter with ARSSBL. ARSSBL is pursuing the appeal against remaining respondents (counter parties to the subject trades). The matter is currently pending.
- (b) ARSSBL has filed a writ petition bearing number 549 of 2013 dated April 20, 2013 before the High Court of Jammu for challenging cancellation of lease of office premises granted by Jammu Development Authority. The High Court of Jammu stayed cancellation order. The said matter is pending.
- (c) ARSSBL had initiated arbitration proceedings against one of its client and a sub-broker through a statement of claim dated June 19, 2014 before the arbitral tribunal of Bombay Stock Exchange Limited claiming ₹31.52 million towards the outstanding dues. The arbitral tribunal, pursuant to its award dated November 24, 2014 directed the client and sub-broker to pay ₹ 31.52 million to ARSSBL together with interest at 12% per annum. The client filed an arbitration petition bearing no. 599/2016 under section 34 of the Arbitration and Conciliation Act, 1996, before the High Court of Judicature at Bombay which was dismissed pursuant to order dated October 19, 2016. The client has filed an appeal challenging the abovementioned order under Section 37 of the Arbitration and Conciliation Act, 1996 before the division bench of High Court of Judicature at Bombay. The said matter is pending.

C. Outstanding actions by statutory or regulatory authorities against our Group Companies

i) ARCL

- (i) A show cause notice was issued by the Ministry of Consumer Affairs to NSEL on April 27, 2012, stating, amongst other things, that it was violating the conditions of exemption granted by the Central Government (by way of a notification dated June 5, 2007, whereby the Central Government exempted NSEL from complying with certain requirements of the Forward Contracts (Regulation) Act, 1952 ("FCRA") in relation to all one day forward contracts, subject to certain conditions, including, amongst other things, no short selling by the members of the exchange and that all outstanding positions of the trade at the end of the day shall result in delivery), and directing NSEL to refrain from launching fresh / further contracts and to settle all existing contracts on their due dates. Subsequently, NSEL, amongst other things, suspended the launch of any new commodities or products and suspended trading in any existing contracts, and announced a settlement plan in terms of which NSEL had to receive approximately ₹ 55,743.50 million from 24 buyers and to make a pay-out of ₹ 53,805.30 million to 148 members.

The EOW investigated into the above and forwarded their interim report dated April 4, 2015 to the Forward Market Commission ("FMC"), particularly with respect to the role played by commodity brokers, in terms of which, while the EOW was taking cognisance of the criminal aspects of the matter, the intervention of FMC was sought in relation to potential violations of codes of conduct or licensing terms. Subsequently, SEBI issued a show cause notice on October 28, 2016, under the SEBI (Intermediaries) Regulations, 2008 to ARCL ("2016 SCN"), enquiring into purported violations by ARCL by alleging, amongst other things, fraudulent trading on NSEL's platform, fraudulent modification of client codes, engaging in circular trading and other suspicious transactions, trading in clients' names without their permission, funding ARCL's clients through ARGFL, lapses in margin collection from clients, various other operation and procedural lapses and that ARCL is no longer fit and proper for holding its certificate of registration in the securities market.

ARCL has responded to the allegations set out in the 2016 SCN on January 6, 2017, and sought opportunities for inspection of various documents referred to in the 2016 SCN. Subsequently, on April 24, 2017, a subsequent show cause notice was issued by SEBI under the SEBI (Intermediaries) Regulations, 2008 to ARCL ("2017 SCN"), based on an enquiry report dated April 11, 2017 submitted by a bench of designated authorities in terms of the SEBI (Intermediaries) Regulations, 2008, which recommended rejection of an application submitted by ARCL for its registration as a commodity broker, and initiation of prosecution proceedings under the FCRA. In relation to the 2017 SCN, ARCL

has pursuant to various letters sought all relevant documents and necessary inspection of the originals thereof. Further, SEBI pursuant to an email dated February 15, 2018 granted a hearing on the limited issue of inspection of documents on February 27, 2018, which was duly attended by Company's representative. Additionally, ARCL has pursuant to its letter dated July 19, 2018 to SEBI requested it not to process its registration application and, accordingly, ARCL has requested SEBI for withdrawal of its application for registration/ surrender of (deemed) registration at an early stage. SEBI has pursuant to its letter dated August 24, 2018 communicated to ARCL that this request for withdrawal of registration cannot be entertained at this stage. On the limited issue of inspection of documents for which hearing was held on February 27, 2018, SEBI vide its order dated August 30, 2018, bearing number WTM/MPB/EFD-1-DRA-II/37/2018 concluded that all the relevant documents and clarifications to enable ARCL to submit its defense has been provided. Further, SEBI directed ARCL to submit its reply on merits within a period of three weeks and appear for personal hearing on September 27, 2018.

ARCL, by way of a writ petition no. 3262 of 2018 dated September 18, 2018, has challenged the 2016 SCN, 2017 SCN and SEBI letter dated August 24, 2018 before the High Court of Bombay *inter alia* seeking (a) a writ of certiorari for quashing the 2016 SCN, 2017 SCN and SEBI letter dated August 24, 2018; and (b) a writ of prohibition restraining the respondents from seeking to exercise jurisdiction in any manner including but not limited to conducting any proceedings and/ or from taking any action and/ or acting in furtherance to the 2016 SCN and 2017 SCN for want of jurisdiction in view of ARCL's withdrawal of application for registration. The matter is currently pending.

- (ii) ARCL received a show cause notice dated August 16, 2018 from National Commodity and Derivatives Exchange Limited ("NCDEX") stating that SEBI has advised NCDEX to impose an appropriate penalty on ARCL for violation of open interest limits by ARCL's clients. Further, by way of the above-mentioned notice, NCDEX has advised to explain and show cause as to why a penalty of ₹ 49.58 million should not be imposed and recovered from ARCL and has directed ARCL to provide its written submission to NCDEX within 21 days of the date of the notice. ARCL has submitted its interim reply on September 05, 2018 and requested NCDEX to provide all the documents/materials in relation to the matter, to enable ARCL to file a detailed reply and appear for personal hearing. However, NCDEX by way of its letter dated September 10, 2018 informed that all the necessary documents and records/information which has been relied for the purpose of show cause notice has been provided. Also, NCDEX, by way of its letter dated September 10, 2018 informed ARCL that it shall proceed to place ARCL's reply before the relevant authority (disciplinary action committee). The matter is currently pending.
- (iii) ARCL has received summons from Assistant Director, Directorate of Enforcement, Mumbai, dated October 17, 2013 in connection with certain investigations being conducted against NSEL, bearing file number ECIR/14/MZO/2013/4256 under the provisions of Prevention of Money Laundering Act, 2002, seeking various information and documents, including, details of its directors, nature of work and permission granted by various exchanges, turnover for last three years exchange wise, details of permissions to operate with NSEL, details of settlement account and client account, total exposure to NSEL and other relevant information. The matter is currently pending.
- (iv) ARCL has received various notices to produce documents (summons under Section 217(1) of the Companies, Act, 2013), from Additional Director (Investigation) Serious Fraud Investigation Office, Ministry of Corporate Affairs, Mumbai, including notice/summons dated December 26, 2016, January 3, 2017, March 16, 2017, September 21, 2017 and February 27, 2018, under Section 212(1) of the Companies Act, 2013, seeking various details and documents, including, income tax returns and other financial statements, copies of documents submitted before various regulatory authorities, copies of court cases, bank account details, passport and other details of all its directors, and details of auditors, various corporate information of ARCL, copies of KYC and ledger accounts of its clients, whether ARCL has or any of its associate concern or NBFC has financed any of its clients, in connection with the ongoing investigation of NSEL. The matter is currently pending.

ii) ARSSBL

1. ARSSBL received a show cause notice dated October 31, 2015 from SEBI wherein it was alleged that ARSSBL did not exercise due skill and care and diligence in conduct of its business and that it did not comply with the statutory requirements thereby violating Regulation (9) (f) read with clauses (A) (2)

and (A) (5) of the Code of Conduct under Schedule II of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992. ARSSBL, pursuant to its letter dated November 20, 2015 replied to the abovementioned show cause notice. Further, pursuant to personal hearing held on December 10, 2015 with SEBI, SEBI pursuant to its order dated December 31, 2015, levied a penalty of ₹ 3 million on ARSSBL. ARSSBL has filed an appeal before the Securities Appellate Tribunal at Mumbai bearing appeal number 10 of 2016 dated February 12, 2016. The matter is currently pending.

2. The Sub-registrar of Stamp, Lucknow, Uttar Pradesh had pursuant to its letter dated June 26, 2009 raised a demand of stamp duty and penalty of ₹ 0.63 million on ARSSBL. ARSSBL has challenged the said demand by way of a writ petition bearing no. 790/2010 dated January 7, 2010 before the Allahabad High Court. The matter is currently pending.
3. ARSSBL has received e-mails dated October 31, 2017 and November 3, 2017 from Inspector, CBI, ACB, Chandigarh, in connection with an investigation pertaining to a case bearing no. RCCHG2017A0017, dated September 4, 2017, registered under section 13(2) read with section 13(1) (d) of Prevention of Corruption Act, 1988 and section 109 of IPC, seeking various details of a client of ARSSBL, including, KYC, ledgers and contract note details, bank account details of ARSSBL. The matter is currently pending.
4. ARSSBL has received summons from Assistant Director, (PMLA), Directorate of Enforcement, New Delhi, dated August 2, 2018, directing to appear in person or through authorised representative, under sections 50(2) and 50(3) of the Prevention of Money Laundering Act, 2002, in connection with an on investigation pertaining to a case bearing file no. ECIR/10/DLZO/2010. The matter is currently pending.
5. Assistant Director, Directorate of Enforcement, Mumbai, issued a directive dated October 17, 2013 bearing file number ECIR/14/MZO/2013/4256 in connection with certain investigation being conducted against NSEL under the provisions of PMLA, seeking various information and documents, including, details of its directors, nature of work and permission granted by various exchanges, turnover for last three years exchange wise, details of permissions to operate with NSEL, details of settlement account and client account, total exposure to NSEL and other relevant information. The matter is currently pending.

D. Tax proceedings against our Group Companies

Set out herein below are claims relating to direct and indirect taxes involving our Group Companies:

| Nature of case | Number of cases | Amount involved, to the extent quantifiable (in ₹ million except as stated otherwise) | |
|-----------------------|------------------------|--|--------|
| 1. ARAL | | | |
| Direct tax | Nil | | Nil |
| Indirect tax | Nil | | Nil |
| 2. ARCL | | | |
| Direct tax | Nil | | Nil |
| Indirect tax | Nil | | Nil |
| 3. ARGFL | | | |
| Direct tax | Nil | | Nil |
| Indirect tax | Nil | | Nil |
| 4. ARSSBL | | | |
| Direct tax | Nil | | Nil |
| Indirect tax | 6 | | 172.39 |
| 5. ARIBL | | | |
| Direct tax | Nil | | Nil |
| Indirect tax | Nil | | Nil |
| 6. ARITPL | | | |
| Direct tax | Nil | | Nil |
| Indirect tax | Nil | | Nil |

| Nature of case | Number of cases | Amount involved, to the extent quantifiable (in ₹ million except as stated otherwise) | |
|----------------|-----------------|---|-----|
| 7. ARTCPL | | | |
| Direct tax | | Nil | Nil |
| Indirect tax | | Nil | Nil |
| 8. ARWAL | | | |
| Direct tax | | Nil | Nil |
| Indirect tax | | Nil | Nil |
| 9. ARHFL | | | |
| Direct tax | | Nil | Nil |
| Indirect tax | | Nil | Nil |
| 10. ARIVPL | | | |
| Direct tax | | Nil | Nil |
| Indirect tax | | Nil | Nil |

VII. Material developments

There have been no material developments, since the date of the last balance sheet, except as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 331 of this Draft Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

In the normal course of our business we are required to obtain various approvals from governmental and other regulatory authorities, from time to time. We have set out below an indicative list of material approvals obtained by our Company and Subsidiaries for the purposes of undertaking their business. In view of these approvals, our Company can undertake this Offer and our Company and its Subsidiaries can undertake their current business activities. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework in India within which our Company operates, please see “Regulations and Policies” on page 158 of this Draft Red Herring Prospectus.

I. Incorporation details of our Company

1. Certificate of incorporation dated March 22, 1995 issued by the RoC in our Company’s former name ‘Hitkari Finvest Private Limited’.
2. Fresh certificate of incorporation consequent to change in name of our Company from ‘Hitkari Finvest Private Limited’ to ‘AR Venture Funds Management Private Limited’ dated April 6, 2005 issued by the RoC.
3. Fresh certificate of incorporation dated March 8, 2007 consequent to change in name of our Company from ‘AR Venture Funds Management Private Limited’ to ‘AR Venture Funds Management Limited’ upon conversion to a public limited company issued by the RoC.
4. Fresh certificate of incorporation consequent to change from ‘AR Venture Funds Management Limited’ to ‘AR Venture Funds Management Private Limited’ in name upon conversion to private company dated July 7, 2015 issued by the RoC.
5. Fresh certificate of incorporation dated April 3, 2017 consequent to change in name of our Company from ‘AR Venture Funds Management Private Limited’ to ‘AR Venture Funds Management Limited’ upon conversion to a public company issued by the RoC.
6. Fresh certificate of incorporation dated July 6, 2017 consequent to change in name of our Company from ‘AR Venture Funds Management Limited’ to ‘Anand Rathi Wealth Services Limited’ issued by the RoC.

II. Approvals relating to the Offer

For the approvals and authorizations obtained by our Company in relation to the Offer, please see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 371 of this Draft Red Herring Prospectus.

III. Material approvals relating to our Company’s business and operations

1. Certificate of registration granted by AMFI to our Company bearing registration number ARN-111569 for distribution of mutual fund products.

IV. Approvals from taxation authorities

1. Permanent Account Number AAACH8136P
2. GST registrations have been obtained by our Company for each state where our Company has its operations. As on the date of this DRHP, our Company has operations in eight states. Our Company has obtained GST registrations for the states of New Delhi, Goa, Haryana, Karnataka, West Bengal, Maharashtra, Tamil Nadu and Telangana.

V. Material approvals relating our Subsidiaries

1. AR Wealth Management Private Limited (CIN: U65923MH1996PTC097270)

- a. Original certificate of incorporation dated February 14, 1996 issued by the RoC in ARWMPL's former name '*Vecare Investments Private Limited*'.
- b. Fresh certificate of incorporation consequent to change in name of the company from '*Vecare Investments Private Limited*' to '*K. B. Productions Private Limited*' dated June 13, 2003 issued by the RoC.
- c. Fresh certificate of incorporation consequent to change in name of the company from '*K. B. Productions Private Limited*' to '*AR Wealth Management Private Limited*' dated December 29, 2014 issued by the RoC.
- d. Certificate of registration granted to ARWMPL by AMFI bearing registration number ARN – 100284 for distribution of mutual fund products.
- e. Permanent Account Number AABCV2843G.
- f. GST registration number 27AABCV2843G1ZD for the state of Maharashtra.

2. Freedom Wealth Solutions Private Limited (CIN: U74990MH2009PTC190352)

- a. Certificate of incorporation dated February 13, 2009 issued by the RoC.
- b. Certificate of registration dated December 18, 2013 to act as an investment adviser, granted to Freedom Wealth Solutions Private Limited under SEBI (Investment Advisors) Regulations, 2013.
- c. Permanent Account Number AABCF3377P.
- d. GST registration number 27AABCF3377P1Z3 for the state of Maharashtra.

3. Ffreedom Intermediary Infrastructure Private Limited (CIN: U74999MH2013PTC245870)

- a. Certificate of incorporation dated July 19, 2013 issued by the RoC in FIINFRA's former name Ffreedom Financial Planners & Investment Advisors Private Limited.
- b. Fresh certificate of incorporation consequent to change in name of the company dated February 3, 2014 issued by the RoC.
- c. Permanent Account Number AACCF3588P.
- d. GST registration number 27AACCF3588P1ZX for the state of Maharashtra.

VI. Material approvals for which applications have been made but are currently pending grant

- a. Application by FWSPL to SEBI dated March 19, 2018 for approval of change in control under Regulation 15(11) of SEBI (Investment Advisor) Regulations, 2013.

VII. Material approvals which have expired for which renewal applications have been made

Nil

VIII. Material approvals which have expired for which renewal applications are yet to be made

Nil

IX. Material approvals required for which no application has been made

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

- Our Board has, by way of a resolution dated February 3, 2018, approved the Offer. Further, our Shareholders have by way of a special resolution dated March 3, 2018 approved the Offer.
- The Promoter Selling Shareholder, being a company, specifically confirms that its board of directors has authorised the offer, sale and transfer of up to [●] Equity Shares aggregating up to ₹ 3,000 million by way of the Offer for Sale pursuant to its board resolution dated July 10, 2018.
- Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Promoter Selling Shareholder confirms that the Equity Shares being offered by it in the Offer have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, and the Equity Shares proposed to be offered and sold by it are free from any lien, charge, encumbrance or contractual transfer restrictions. The Promoter Selling Shareholder confirms that it is the legal and beneficial owner of the Equity Shares being offered by way of the Offer for Sale.

Prohibition by SEBI or governmental authorities

Our Company, our Promoters, our Directors, the Promoter Group, the Group Companies or persons in control of the Promoter Selling Shareholder, have not been prohibited or debarred from accessing the capital markets for any reason by or under any order or direction made by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters or Directors or persons in control of our Company, the persons in control of the Corporate Promoter, are or were associated as promoters, directors or persons in control are not debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Other than Mr. Anand Rathi, Mr. Pradeep Gupta and Mr. Amit Rathi, none of our Directors are associated with the securities market in their capacity as directors on companies operating in the securities market.

Except as disclosed in “*Outstanding Litigation and Material Developments*” on page 354, there has been no action initiated by SEBI against our Directors or any entity in which our Directors are involved in as promoters or directors.

The listing of any Securities of our Company and our Subsidiaries has never been refused at any time by any stock exchanges in India or abroad.

Prohibition by RBI

Neither our Company nor its Promoters, Directors, Group Companies, relatives (as per Companies Act, 2013) of the Promoters and Group Companies, are identified as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI ICDR Regulations as described below:

We are an unlisted company not satisfying with the conditions specified in Regulation 26(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI ICDR Regulations, in terms of which, we undertake to:

- Allot at least 75% of the Offer to QIBs, and in the event we fail to do so, the full application monies shall be refunded to the Bidders.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which, the entire application monies shall be refunded forthwith. In case of delay, if any, in refund, our Company and the Promoter Selling Shareholder shall pay interest on the application money at the rate of 15% per annum, or at such rate as may be prescribed in accordance with applicable laws, for the period of delay.

This is an Offer in terms of Rule 19(2)(b) of the SCRR, read with Regulation 41 of SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. For details, please see “*Offer Procedure*” on [•] of this Draft Red Herring Prospectus.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, EQRUS CAPITAL PRIVATE LIMITED AND JEFFERIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS, EQRUS CAPITAL PRIVATE LIMITED AND JEFFERIES INDIA PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, EQRUS CAPITAL PRIVATE LIMITED AND JEFFERIES INDIA PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 24, 2018, WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 24, 2018 PERTAINING TO THE OFFER;**

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER, WE CONFIRM THAT:
- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE RESPECTIVE PROMOTER HAVE BEEN OBTAINED FOR INCLUSION OF EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE RESPECTIVE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO THE EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED

OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH TO THE EXTENT APPLICABLE.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. – NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUBSECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER SHALL BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER – NOTED FOR COMPLIANCE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. - COMPLIED WITH. REFER TO ANNEXURE IIIA.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. - COMPLIED WITH. REFER TO ANNEXURE IIIB.
16. WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR. - COMPLIED WITH. REFER TO ANNEXURE IIIC.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED AS PER THE ACCOUNTING STANDARD 18 / IND AS 24 IN THE RESTATED FINANCIAL STATEMENTS OF THE COMPANY AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY R. KABRA & CO., CHARTERED ACCOUNTANTS PURSUANT TO THEIR CERTIFICATE DATED SEPTEMBER 24, 2018

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE). – NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company and the Promoter Selling Shareholder from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up, at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

Price information of past issues handled by the BRLMs

The price information of past issues handled by the BRLMs is as follows:

1. Equirus Capital Private Limited

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Equirus Capital Private Limited

| Sr. No. | Issue name | Issue size (₹ millions) | Issue price (₹) | Listing date | Opening price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---------|------------------------------------|-------------------------|-----------------|---------------|--------------------------------------|---|---|--|
| 1 | Shankara Building Products Limited | 3,450.01 | 460.00 | April 5, 2017 | 555.05 | + 51.04% [+1.02%] | + 80.91% [+3.78%] | + 210.58 % [+5.65%] |

Notes:

- Source: www.nseindia.com for the price information
- Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the price of the immediately preceding working day has been considered.
- The Nifty 50 index is considered as the benchmark index.

Table 2: Summary statement of disclosure

| Financial Year | Total no. of IPOs | Total funds raised (₹ in Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|----------------|-------------------|------------------------------------|--|-----------------|---------------|---|-----------------|---------------|--|-----------------|---------------|---|-----------------|---------------|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2018- | - | - | - | - | - | - | - | - | - | - | - | - | - | |

| Financial Year | Total no. of IPOs | Total funds raised (₹ in Millions) | Nos. of IPOs trading at discount on as on 30th calendar days from listing date | | | Nos. of IPOs trading at premium on as on 30th calendar days from listing date | | | Nos. of IPOs trading at discount as on 180th calendar days from listing date | | | Nos. of IPOs trading at premium as on 180th calendar days from listing date | | |
|----------------|-------------------|------------------------------------|--|-----------------|---------------|---|-----------------|---------------|--|-----------------|---------------|---|-----------------|---------------|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2019 | | | | | | | | | | | | | | |
| 2017-2018 | 1 | 3,450.01 | - | - | - | 1 | - | - | - | - | - | 1 | - | - |
| 2016-2017 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

2. Jefferies India Private Limited

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Jefferies India Private Limited

| Sr. No. | Issue name | Issue size (₹ millions) | Issue price (₹) | Listing date | Opening price on listing date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing |
|---------|--------------------------------------|-------------------------|-----------------|--------------|--------------------------------------|---|---|--|
| 1 | Newgen Software Technologies Limited | 4,246.21 | 245.00 | 29-Jan-18 | 254.10 | -0.20%, [-5.18%] | 2.51%, [-3.51%] | -2.00%, [1.33%] |
| 2 | BSE Limited | 12,434.32 | 806.00 | 3-Feb-17 | 1,085.00 | 17.52%, [2.55%] | 24.41%, [6.53%] | 34.43%, [15.72%] |
| 3 | Laurus Labs Limited | 13,305.10 | 428.00* | 19-Dec-16 | 489.90 | 11.44%, [3.62%] | 23.29%, [12.62%] | 41.43%, [18.31%] |

*Discount of ₹40 per equity share offered to Eligible Employees bidding in the Employee Reservation Portion. All calculations are based on issue price of ₹ 428.00 per equity share

Notes:

- All data sourced from www.nseindia.com
- Benchmark index considered is NIFTY
- 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.

Table 2: Summary statement of disclosure

| Financial Year | Total no. of | Total funds raised | Nos. of IPOs trading at discount on as on 30th calendar days | Nos. of IPOs trading at premium on as on 30th calendar days | Nos. of IPOs trading at discount as on 180th calendar | Nos. of IPOs trading at premium as on 180th calendar |
|----------------|--------------|--------------------|--|---|---|--|
|----------------|--------------|--------------------|--|---|---|--|

| | IPOs | (` in Millions) | from listing date | | | from listing date | | | days from listing date | | | days from listing date | | |
|-----------|------|-----------------|-------------------|-----------------|---------------|-------------------|-----------------|---------------|------------------------|-----------------|---------------|------------------------|-----------------|---------------|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2018-2019 | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2017-2018 | 1 | 4,246.21 | - | - | 1 | - | - | - | - | - | 1 | - | - | - |
| 2016-2017 | 2 | 25,739.42 | - | - | - | - | - | 2 | - | - | - | - | 2 | - |

* The information is as on the date of the document.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the circular (CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

| Sr. No | Name of the BRLMs | Website |
|--------|---------------------------------|-------------------|
| 1. | Equirus Capital Private Limited | www.equirus.com |
| 2. | Jefferies India Private Limited | www.jefferies.com |

Caution – Disclaimer from our Company, the Promoter Selling Shareholder, our Directors, and the BRLMs

Our Company, the Promoter Selling Shareholder our Directors and the BRLMs accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.arwealth.in, or the website of any of our Promoter Group and Group Companies or of any affiliate or associate of our Company, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, our Company and the Promoter Selling Shareholder.

All information shall be made available by our Company, Promoter Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information will be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Promoter Selling Shareholder nor any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Each of the BRLMs and their respective affiliates and associates may engage in transactions with, and perform services for, our Company and its Group Companies or affiliates or third parties or the Promoter Selling Shareholder and their respective affiliates or associates or group companies or third parties in the ordinary

course of business and have engaged, or may in the future engage, in transactions including underwriting, commercial banking and investment banking transactions with our Company and its Group Companies or affiliates or third parties or the Promoter Selling Shareholder and its respective affiliates or associates or group companies or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

The Offer is being made in India to persons resident in India, who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, Systematically Important Non-Banking Financial Companies (“**SI NBFCs**”) and permitted Non-Residents including FPIs and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Promoter Selling Shareholder and their respective affiliates from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Important information for investors – Eligibility and transfer restrictions

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at the Corporate Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC, and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC:

The office of the RoC is located at:

Registrar of Companies, Maharashtra

Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Listing

The Equity Shares when issued/transferred through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Initial listing applications will be made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company and the Promoter Selling Shareholder will forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus, required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Promoter Selling Shareholder and every officer in default shall be liable to repay the money, with interest as prescribed under applicable laws.

Our Company and the Promoter Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at all the Stock Exchanges are taken within six Working Days of the Offer Closing Date. The Promoter Selling Shareholder specifically confirms that it shall provide reasonable support and extend reasonable co-operation as required or requested by our Company to facilitate this process. If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate as may be prescribed under law.

Impersonation

Attention of Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Consents

Consents in writing of the Promoter Selling Shareholder, the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Bankers to the Company, the BRLMs and Syndicate Members, Escrow Collection Bank(s), Public Offer Account Banks, Refund Bank(s), Registrar to the Offer, legal counsel to our Company as to Indian Law, legal counsel to the BRLMs as to Indian Law, special international legal counsel to the BRLMs, to act in their respective capacities, have obtained or will be obtained and shall be filed along with a copy of the Red Herring Prospectus with the RoC, as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Our Company has received written consent from the Statutory Auditor namely, M/s. Khimji Kunverji & Co., Chartered Accountants, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditor namely, M/s. Khimji Kunverji & Co., Chartered Accountants, to include their name as required under the Companies Act, 2013 in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus as an “expert” as defined under section 2(38) of the Companies Act, 2013 and in their capacity as a Statutory Auditor and in respect of their (i) examination reports, each dated September 1, 2018 on our Restated Consolidated Financial Information and our Restated Standalone Financial Information; and (ii) their report dated September 24, 2018 on the Statement of Tax Benefits, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent from the valuation agent, Ekistic Advisory, in respect of its report of September 2018, titled “*Valuation Opinion for Property Purchase*” for outright purchase of commercial property for office operations by our Company and to be named as an “Expert”, as defined under the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Further, our Company has received written consent from the architect, Archilab Design Solutions Private Limited, to include its name, in this Draft Red Herring Prospectus and to be named as an “Expert”, as defined under the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Offer expenses

The total expenses of this Offer are expected to be ₹ [●]. The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees, which will be shared by our Company and the Promoter Selling Shareholder, in proportion to the Equity Shares issued/offered in the Offer.

For the details of estimated issue expenses, please see “*Objects of the Offer*” on page 99 of this Draft Red Herring Prospectus.

Fees, brokerage and selling commission payable to the BRLMs and the Syndicate Members

The total fees payable to the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letters among our Company, the Promoter Selling Shareholder and the BRLMs and the Syndicate Agreement, copies of which will be made available for inspection at the Registered Office from the date of the Red Herring Prospectus until the Offer Closing Date. For further details, please see “*Objects of the Offer*” on page 99 of this Draft Red Herring Prospectus.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSB, Registered Brokers, RTAs and CDPs please, please see “*Objects of the Offer*” on page 99 of this Draft Red Herring Prospectus.

Fees payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per Registrar Agreement which will be made available for inspection at the Registered Office from the date of the Red Herring Prospectus until the Offer Closing Date.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send such refund in any of the modes described in the Red Herring Prospectus or Allotment Advice by registered post/speed post/ordinary post.

IPO grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Previous public or rights issues during the last five years

Our Company has not made any previous public issue or any rights issues during the last five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of securities otherwise than for cash

Except as disclosed in “*Capital Structure- Issue of Equity Shares for Consideration other than Cash*” on page 84, our Company has not issued any securities for consideration other than cash.

Underwriting commission, brokerage and selling commission on previous issues

Since this is an initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares since its inception.

Capital issuances made during the last three years by our Company and other listed Group Companies and/or Subsidiaries

Except as disclosed in “*Capital Structure*” on page 81 of this Draft Red Herring Prospectus, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

None of our Group Companies or Subsidiaries are listed.

List of all public/rights issue by our Company during the period of ten years immediately preceding the date of filing of this Draft Red Herring Prospectus

Our Company has not undertaken any previous public issue. Our Company has not undertaken a rights issue.

Performance vis-à-vis objects –Public/rights issue of our Company and/or listed Group Companies, Subsidiaries and associate company

Our Company has not undertaken any public or rights issue in the past. None of our Group Companies are listed.

Outstanding debentures or bond issues or preference shares or other instruments

Our Company does not have any outstanding debentures or bonds or preference shares (including redeemable preference shares), or other instruments as of the date of this Draft Red Herring Prospectus excluding ESOPs.

Partly paid-up shares

Our Company does not have any partly paid-up equity shares as on the date of this Draft Red Herring Prospectus.

Stock market data of the Equity Shares

This being an initial public offering of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

For all Offer related queries and for redressal of complaints, Investors may write to the BRLMs. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs, who shall respond to such complaints.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances other than those of Anchor Investors relating to the Offer must be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, quoting the full details such as the name and address of the sole or First Bidder, date and number of the Bid cum Application Form, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application, name and address of the relevant Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and cheque or draft number and issuing bank thereof.

The Registrar Agreement provides for retention of records, including refund orders dispatched to the Bidders, with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances. Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Promoter Selling Shareholder, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall not exceed seven Working Days from the date of receipt of the complaint.

There have been no investor grievances received by our Company for the three years preceding the date of filing this Draft Red Herring Prospectus.

As on date there are no investor complaints pending.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Mr. Ramesh Chandak, Mr. Amit Rathi and Mr. Pradeep Gupta as members. For further details on the Stakeholders' Relationship Committee, please see "Our Management" on page 179 of this Draft Red Herring Prospectus.

Disposal of investor grievances by listed companies under the same management

As on the date of this Draft Red Herring Prospectus, none of our Group Companies are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Our Company has appointed Mr. Dilip Balakrishnan as the Company Secretary and Compliance Officer and he may be contacted in case of any pre- Offer or post- Offer related problems. He can be contacted at the following address:

Company Secretary and Compliance Officer

Mr. Dilip Balakrishnan

4th floor, Silver Metropolis
 Jai Coach Compound, Opposite Bimbisar Nagar
 Goregaon (East), Mumbai 400063
 Maharashtra
 Telephone: +91 (22) 4001 3700
 Facsimile: +91 (22) 4001 3770
 Email: csarwsl@rathi.com

Investor grievance mechanism and investor complaints for the listed companies (whose equity shares are listed on stock exchanges) under the same management within the meaning of the erstwhile Section 370 (1B) of the Companies Act, 1956.

There are no listed companies under the same management as our Company within the meaning of the erstwhile Section 370(1B) of the Companies Act, 1956.

Change in Statutory auditors

Except as disclosed below, there have been no changes in the statutory auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

| Sr. No. | Name of the Auditor | Date of appointment | Date of resignation | Reason for change |
|----------------|----------------------------------|----------------------------|----------------------------|--|
| 1. | M/s. Khimji Kunverji & Co. | September 29, 2017 | Not applicable | Appointment |
| 2. | M/s. Shravan Gandhi & Associates | September 30, 2016 | August 29, 2017 | Pre-occupation and certain other commitments |

Capitalisation of reserves or profits

Except for the bonus issuance made by our Company on August 8, 2016, our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Draft Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the last five years preceding the date of this Draft Red Herring Prospectus.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, SCRA read with the SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, rules, guidelines, notifications and regulations relating to the issue and transfer of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, RBI, RoC, and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI and/or any other regulatory authority while granting its approval for the Offer.

The Offer

The Offer comprises the Fresh Issue and the Offer for Sale. For further details in relation to Offer expenses, see “*Objects of the Offer*” and “*Other Regulatory and Statutory Disclosures*” on pages 99 and 371, respectively.

Ranking of Equity Shares

The Equity Shares being issued and offered pursuant to the Offer shall be subject to the provisions of our Memorandum of Association and Articles of Association and the Companies Act and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend and voting. The Allottees, upon Allotment of Equity Shares pursuant to the Offer, will be entitled to dividends and / or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see “*Dividend Policy*” and “*Main Provisions of our Articles of Association*” on pages 205 and 442, respectively, of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association and Articles of Association and the Listing Agreement. For further details, please see “*Dividend Policy*” and “*Main Provisions of our Articles of Association*” on pages 205 and 442 of this Draft Red Herring Prospectus, respectively.

Face value and Offer Price

The face value of each Equity Share is ₹ 5 and the Offer Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

The Floor Price of the Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs. These will be published by our Company at least five Working Days prior to the Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and Mumbai editions of the Marathi newspaper [●] (Marathi being the regional language of Maharashtra where our Registered Office is located), each with wide circulation. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges’ websites.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- right to receive dividend, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy or e-voting in accordance with the provisions of the Companies Act;
- right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation subject to any statutory and preferential claims being satisfied;
- right of free transferability of Equity Shares, subject to applicable law including any rules and regulations prescribed by SEBI; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the Listing Regulations, and our Memorandum of Association and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please see "*Main Provisions of our Articles of Association*" on page 442 of this Draft Red Herring Prospectus.

Market lot and trading lot

As per the applicable law, the trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be done only in electronic form in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares to successful Bidders.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the Registrar and Share Transfer Agent of our Company.

Further, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the Bidders would prevail. If Bidders require a change in the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer, in whole or any part thereof, at anytime including after the Offer Opening Date but before the Allotment. In the event that our Company and the Promote Selling Shareholder in consultation with the BRLMs, decide not to proceed with the Offer at all, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for such decision. In such event the BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of ASBA Bidders (other than Anchor Investors) within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

In the event of withdrawal of the Offer after the Offer Closing Date and subsequent determination to proceed with an initial public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Offer Programme

| | |
|------------------------|--------------------|
| OFFER OPENS ON | [•] ⁽¹⁾ |
| OFFER CLOSES ON | [•] ⁽²⁾ |

⁽¹⁾Our Company and the Promoter Selling Shareholder, may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Offer Opening Date in accordance with the SEBI ICDR Regulations, i.e. [•].

⁽²⁾Our Company and the Promoter Selling Shareholder in consultation with the BRLMs may decide to close the Offer Period for QIBs one Working Day prior to the Offer Closing Date i.e. [•].

An indicative timetable in respect of the Offer is set out below:

| Event | Indicative Date |
|--|-----------------|
| Offer Closing Date | [•] |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about [•] |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account | On or about [•] |
| Credit of Equity Shares to demat accounts of Allottees | On or about [•] |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about [•] |

The above timetable, other than the Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Promoter Selling Shareholder or the BRLMs. While our Company and the Promoter Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Offer Period by our Company and the Promoter Selling Shareholder, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholder confirms, that it shall extend reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by Promoter Selling Shareholder) at the Stock Exchanges within six Working Days from the Offer Closing Date.

Bids (other than Bids from Anchor Investors):

| Offer Period (except the Offer Closing Date) | |
|---|--|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)) |
| Offer Closing Date | |
| Submission and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time (“IST”)) |

On the Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On the Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of the time available for uploading the Bids on the Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Offer Closing Date and, in any case, no later than 3.00 p.m. IST on the Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on business days i.e. Monday to Friday (excluding any public/bank holiday). Our Company, or the Promoter Selling Shareholder or the members of the Syndicate are not liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the details of the Bid file received from Stock Exchanges may be taken as final data for the purposes of Allotment.

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price, and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the other members of the Syndicate.

Minimum subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a minimum subscription in the Offer equivalent to the minimum number of securities as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 15 days from the date of the Offer Closing Date, our Company and the Promoter Selling Shareholder shall forthwith refund the entire application amount received. If there is a delay beyond the prescribed time, our Company and the Promoter Selling Shareholder shall pay interest prescribed under the applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be allocated prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company and the Promoter Selling Shareholder shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, in compliance with Regulation 26(4) of the SEBI ICDR Regulations.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one and therefore no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for (i) the lock-in of the pre-Offer Equity Shares, (ii) the minimum Promoters' contribution, (iii) Anchor Investor lock-in, pursuant to the Offer, and (iv) as provided in "*Main Provisions of our Articles of Association*" on page 442 of this Draft Red Herring Prospectus, there are no restrictions on transfers of Equity Shares. Further, there are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles of Association. For details, please see "*Main Provisions of our Articles of Association*" on page 442 of this Draft Red Herring Prospectus.

Option to receive Equity Shares in Dematerialised Form

In terms of Section 29 of the Companies Act, 2013, the Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated October 20, 2016 entered into between NSDL, our Company and the Registrar to the Offer; and
- Agreement dated July 14, 2016 entered into between CDSL, our Company and the Registrar to the Offer.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, the FDI Policy, FEMA and circulars and notifications issued thereunder. FEMA regulates the manner in which foreign investment may be made. The consolidated FDI policy circular of 2017, dated August 28, 2017 issued by the DIPP (“**FDI Policy**”) consolidates the policy framework which was in force as on August 28, 2017. Further, the FDI Policy consolidates, subsumes and supersedes all the press notes, press releases, and clarifications on FDI issued by DIPP. The DIPP issued the Standard Operating Procedure (“**SOP**”) for Processing FDI Proposals on June 29, 2017, provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the “**Competent Authority**”) for the grant of post-facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the competent authority, DIPP shall identify the Competent Authority.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the Government of India or the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB and accordingly, the process for FDI and its approval from the Government of India will now be handled by the relevant ministries or departments, in consultation with the DIPP.

As per the existing regulations, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales are made.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which they Bid do not exceed the applicable limits under applicable laws or regulations.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating up to ₹ 4,250 million comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹ 1,250 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating to ₹ 3,000 million by the Promoter Selling Shareholder. The Offer shall constitute up to [●]% of the fully diluted post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

| Particulars | QIBs [#] | Non-Institutional Investors | Retail Individual Bidders |
|---|---|---|--|
| Number of Equity Shares available for allocation/Allotment ^{(1)##} | At least [●] Equity Shares | Not more than [●] Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation. | Not more than [●] Equity Shares or Offer less allocation to QIB Bidders and Non-Institutional Investors shall be available for allocation. |
| Percentage of Offer size available for Allotment/ allocation | At least 75% of Offer shall be Allotted to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors). | Not more than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation. | Not more than 10% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Investors shall be available for allocation. |
| Basis of allocation if respective category is oversubscribed | Proportionate as follows (excluding the Anchor Investor Portion): (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving | Proportionate. | The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For further details, see “Offer Procedure – Part B – General Information Document– Allotment Procedure and Basis of Allotment – Allotment |

| Particulars | QIBs [#] | Non-Institutional Investors | Retail Individual Bidders |
|-----------------------------|--|--|--|
| | allocation as per (a) above. [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors. | | to RIBs” on page 430 of this Draft Red Herring Prospectus. |
| Minimum Bid | Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter. | Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter. | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |
| Maximum Bid | Such number of Equity Shares not exceeding the Offer subject to applicable limits to the Bidder. | Such number of Equity Shares not exceeding the Offer subject to applicable limits to the Bidder. | Such number of Equity Shares such that the Bid Amount does not exceed ₹ 200,000. |
| Mode of Bidding | Through ASBA process, except for Anchor Investors. | Through ASBA process only. | Through ASBA process only. |
| Mode of Allotment | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. | Compulsorily in dematerialised form. |
| Bid lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | | |
| Allotment Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. | | |
| Trading lot | One Equity Share. | | |
| Who can apply ⁺⁺ | Public financial institutions specified in Section 2(72) of the Companies Act, 2013, FPIs (other than Category III Foreign Portfolio Investors), scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with the SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment | Resident Indian individuals, Eligible NRIs and HUF (in the name of <i>Karta</i>), companies, corporate bodies, scientific institutions, societies and trusts, Category III Foreign Portfolio Investors. | Resident Indian Individuals, Eligible NRIs, HUF (in the name of <i>Karta</i>). |

| Particulars | QIBs [#] | Non-Institutional Investors | Retail Individual Bidders |
|-------------------------------|--|--|--|
| | Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and SI NBFCs. | | |
| Terms of Payment [®] | <p>The entire Bid Amount shall be blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form (excluding for Anchor Investors).*</p> <p>For Anchor Investors, the entire Bid Amount shall be payable at the time of submission of Bid cum Application Form.*</p> | The entire Bid Amount shall be blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form. | The entire Bid Amount shall be blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form. |

⁽¹⁾ Assuming full subscription in the Offer.

[#] Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, please see "Offer Procedure" on page 394 of this Draft Red Herring Prospectus.

^{##} Subject to valid Bids being received at or above the Offer Price.

The Offer is being made through the Book Building Process, in reliance of Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be allotted on a proportionate basis to QIBs. 5% of the Net QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only, and the Net QIB Portion will be available for allocation on a proportionate basis to all QIB Bidders (excluding Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer will be available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

[®] In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Form.

* Any balance amount payable by the Anchor Investors, due to a difference between the Anchor Investor Offer Price and the Bid Amount paid by the Anchor Investors, shall be payable by the Anchor Investors within two Working Days of the Offer Closing Date.

⁺⁺ In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other categories or contribution of categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or combination of categories.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 and CIR/CFD/POLICYCELL/11/2015 notified by SEBI (the "General Information Document") read with SEBI circular bearing number CIR/CFD/POLICYCELL/11/ 2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under the section "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general and in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company, the Promoter Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in reliance on Regulation 26(2) of the SEBI ICDR Regulations, wherein at least 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion (other than Anchor Investor Portion). 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. However, the value of Allotment to any Retail Bidder shall not exceed ₹ 200,000.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company, the Promoter Selling Shareholder and the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, will be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Please note that all the Bidders (other than Anchor Investors) shall mandatorily apply in the Offer through the ASBA process only.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the concerned Designated Intermediary, submitted at the Bidding centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

Copies of the ASBA Forms and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres and Registered Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

Copies of the Anchor Investor Forms and abridged prospectus shall be made available at the offices of the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

| Category | Colour of Bid cum Application Form ¹ |
|--|---|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White |
| Non residents including Eligible NRIs FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis | Blue |
| Anchor Investors ² | White |

⁽¹⁾Excluding electronic Bid cum Application Form

⁽²⁾Anchor Investor Forms will be made available at the office of the BRLMs

All Non-Resident Bidders will be required to attach a self-certification with the Bid cum Application Form, confirming and certifying that such Bidder is a ‘fit and proper person’ in accordance with the requirements prescribed under the SEBI Intermediaries Regulations. To be a ‘fit and proper person’, the following criteria shall be taken into consideration: (i) the Bidder’s integrity, reputation and character; (ii) the Bidder shall not have any convictions and restraint orders; (iii) the Bidder shall be competent, including having financial solvency and net worth; and (iv) the Bidder shall not be categorised as a Wilful Defaulter.

Designated Intermediaries, (other than SCSBs), shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth under the section “General Information Document– Category of Investors Eligible to Participate in an Offer” on page 408 of this Draft Red Herring Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in the Offer under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity

Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and applicable laws of the jurisdictions where such offers and sales occurs.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors/Bidders, including associates or affiliates of the BRLMs and Syndicate Members, will be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than the mutual fund sponsored by entities related to the BRLMs) can apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of our Company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis should authorise their SCSBs to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") accounts, and eligible NRI Bidders bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary ("NRO") accounts the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or to an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all

registered FPIs shall be included. The existing aggregate investment limit of FPIs in our Company is 49% of the total paid-up Equity Share capital of our Company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II foreign portfolio investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India or unlisted debt securities or securitised debt instruments, as its underlying assets) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it subject to the following conditions: (i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and (ii) prior consent of the foreign portfolio investor is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the foreign portfolio investor.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offer of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholder reserve the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid up share capital and reserves,

whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if:

- i. the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act; or
- ii. the additional acquisition is through restructuring of debt/ corporate debt restructuring /strategic debt restructuring, or to protect the banks' interest on loans/investments made to a company.

The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by insurance companies

In case of Bids by insurance companies registered with the **IRDAI**, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "**IRDAI Investment Regulations**") are set forth below:

- (a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Insurance companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account, using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such application.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by SI NBFCs, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. SI NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India, SI NBFCs or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled “*Part B – General Information Document*” on page 406 of this Draft Red Herring Prospectus, Bidders are requested to note the following additional information in relation to the Offer.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form. It is the Bidder’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.
2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
3. In the event of an upward revision in the Price Band, Retail Individual Investors who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the

Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. If the total amount (i.e., the original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

4. In the event of a downward revision in the Price Band, Retail Individual Investors who have bid at Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.
5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

General Instructions:

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the applicable Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bid cum Application Form bearing the stamp of the Designated Intermediaries is submitted to the Designated Intermediary at the Bidding Centres, within the prescribed time;
6. Ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder;
7. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediary. Instruct your respective banks not to release the funds blocked in the ASBA Account under the ASBA process until six Working Days from the date of closing the Bids;
12. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market and persons exempt from holding PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active" status; (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same; and (c) all other applications in which PAN is not mentioned, will be considered rejected;
14. Ensure that the demographic details are updated, true and correct in all respects;

15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
16. Ensure that the category and the investor status is indicated;
17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
19. Ensure that the depository account is active, the correct DP ID, the Client ID and the PAN are mentioned in the Bid cum Application Form and that the name of the Bidder, the DP ID, the Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the Designated Intermediary, as applicable, match with the name, DP ID, Client ID and PAN available in the Depository database;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
22. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
23. Ensure while bidding through a Designated Intermediary that the Bid cum Application Form is submitted to a Designated Intermediary only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>);
24. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
25. Ensure that you have correctly signed the authorization/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form; and
26. Bids are on proportionate basis and have been in the names of the individuals, or in the names of Eligible NRIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if any of the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not submit revised Bid at a price less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. For ASBA, payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;
6. Do not send Bid cum Application Forms by post; instead submit the same to a Designated Intermediary only;
7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Promoter Selling Shareholder or the Registrar to the Offer (assuming that the Registrar to the Offer is not one of the RTAs);
8. Anchor Investors should not Bid through the ASBA process;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
10. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or

regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

12. Do not submit more than five ASBA Forms per ASBA Account;
13. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
14. Do not instruct your respective banks to release the funds blocked in your ASBA Account;
15. Do not submit the General Index Register number instead of the PAN;
16. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
17. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
19. Do not submit your Bid after 3.00 pm on the Offer Closing Date;
20. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository);
21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
22. Do not submit Bids to a Designated Intermediary at a location other than specified locations; and
23. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if any of the above instructions, as applicable, are not complied with.

Payment instructions

Instructions for Anchor Investors:

- (a) Anchor Investors may submit their Bids with the BRLMs.
- (b) Payments should be made either by RTGS, NEFT, or cheque/ demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (c) If the cheque or demand draft accompanying the Anchor Investor Form is not made favouring the Escrow Account, the Bid is liable to be rejected.
- (d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.
- (e) Anchor Investors are advised to provide the number of the Anchor Investor Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

Payment into escrow account for Anchor Investors:

Our Company and the Promoter Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

1. In case of resident Anchor Investors: “[●]”
2. In case of Non-Resident Anchor Investors: “[●]”

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and Mumbai editions of the Marathi newspaper [●].

In the pre- Offer advertisement, we shall state the Bid Opening Date and the QIB Bid Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

1. Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
2. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then is termed as the 'Prospectus'. The Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and is complete in all material respects.

Impersonation

Attention of Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- if our Company does not proceed with the Offer after the Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers in which the pre-Offer advertisement was published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- if our Company withdraws the Offer after the Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event our Company subsequently decides to proceed with the Offer;
- the complaints received in respect of the Offer shall be attended to by our Company;

- all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of Offer Closing Date or such time as prescribed under applicable laws;
- it shall not have any recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.

Undertakings by the Promoter Selling Shareholder

The statements and undertakings set out below, in relation to Promoter Selling Shareholder, are statements which are specifically confirmed or undertaken by the Promoter Selling Shareholder. All other statements and/or undertakings in this DRHP in relation to the Promoter Selling Shareholder shall be statements made by our Company, even if the same relates to the Promoter Selling Shareholder. The Promoter Selling Shareholder hereby severally and not jointly undertake and/or confirm the following:

- the Equity Shares issued by it have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations;
- it is the legal and beneficial owner of the Equity Shares offered by it, and that such Equity Shares are fully paid-up and shall be offered in the Offer, free from liens, charges and encumbrances of any kind whatsoever;
- it shall not have recourse to the proceeds from the Offer until the final listing and trading approvals from all the Stock Exchanges have been obtained;
- it shall reimburse our Company for expenses incurred in relation to the Offer on its behalf, to the extent of the Equity Shares issued by it, in the manner agreed to amongst the Promoter Selling Shareholder and our Company, and in accordance with applicable law;
- it shall take all such steps as may be required to ensure that the Equity Shares in the Offer are available for transfer in the Offer within the time specified under applicable law; and
- it shall comply with all applicable laws, including but not limited to, the SEBI ICDR Regulations and the Companies Act, 2013, and the rules and regulations made thereunder, each as amended, in each case, in relation to the Offer.

Utilisation of Offer Proceeds

The Promoter Selling Shareholder alongwith our Company declare that all monies received out of the Offer shall be credited/ transferred to a separate bank account being the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

Details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

PART B

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal advisor and other advisors in relation to the legal matters concerning the issue. For taking on investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Issues. The purpose of the “General Information Document” is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”).

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“**RHP**”), Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issuer are available on the websites of stock exchanges, on the website of the BRLMs to the Issue and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants see “*Glossary and Abbreviations*”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is, among other things, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is, among other things, required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR

Regulations, the Companies Act (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

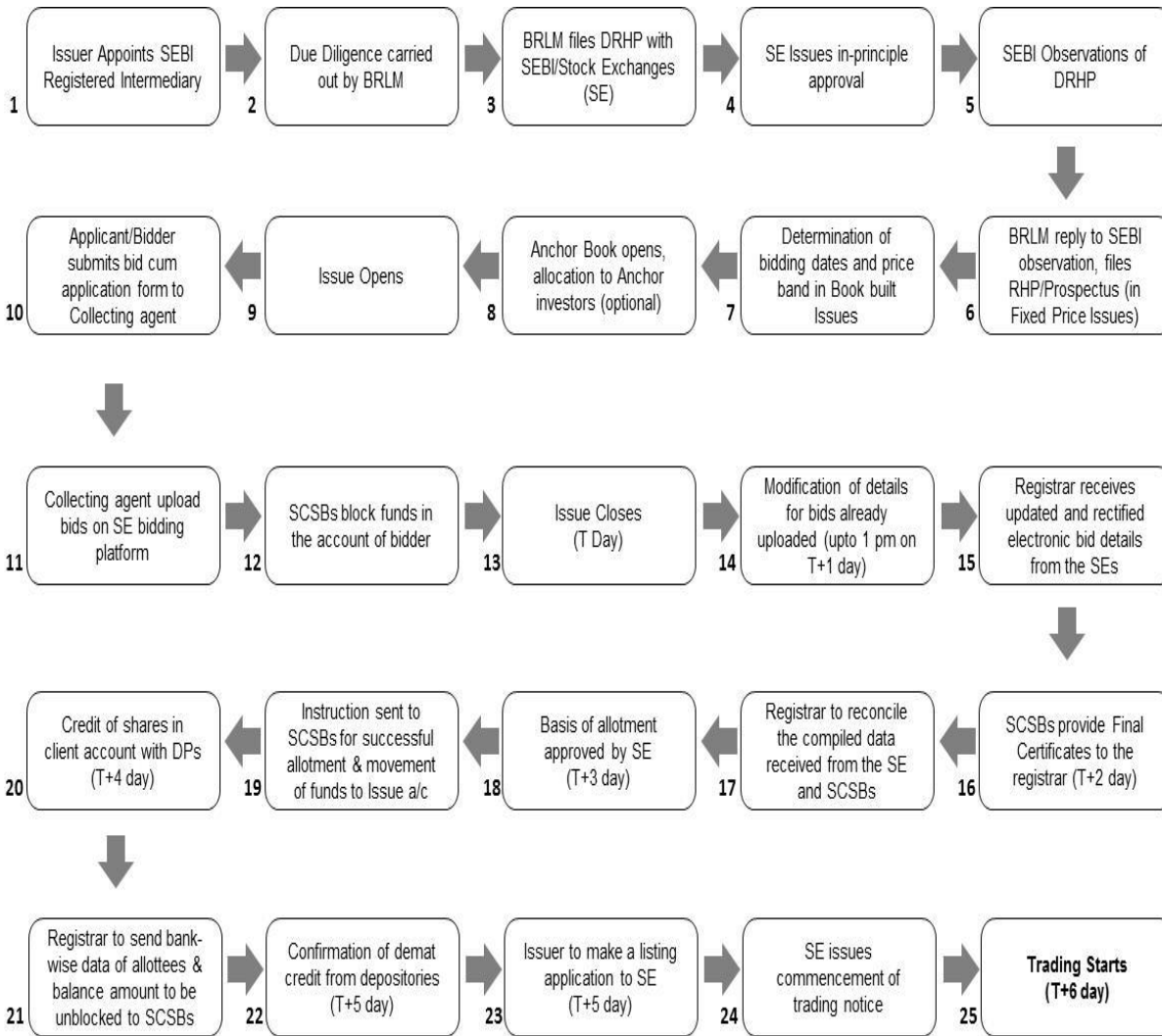
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Offer Period may be extended by at least three Working Days, subject to the total Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, BRLMs, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - (i) Step 7 : Determination of Issue Date and Price
 - (ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of an Anchor Investors, the Anchor Investor Application Form) bearing the stamp of any of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the Registered Office. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated SCSB Branches of the SCSBs and at the Registered Office. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

| Category | Colour of the Bid cum Application Form |
|--|--|
| Resident Indian, Eligible NRIs applying on a non repatriation basis | White |
| NRIs, FVCIs, FPIs on a repatriation basis | Blue |
| Anchor Investors (where applicable) & Bidders /Applicants Bidding/ applying in the Reserved Category | As specified by the Issuer |

| Category | Colour of the Bid cum Application Form |
|----------|--|
| | |

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

| | | |
|--|--|---|
| COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details: CIN No | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS |
|--|--|---|

LOGO **TO, THE BOARD OF DIRECTORS XYZ LIMITED**

BOOK BUILT ISSUE
ISIN :

Bid cum Application Form No. _____

| | | |
|---|--------------------------------------|--|
| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ |
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE | |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. | 2. PAN OF SOLE / FIRST BIDDER |

| 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small> | 6. INVESTOR STATUS <input type="checkbox"/> Individual(s) - IND <input type="checkbox"/> Hindu Undivided Family* - HUF <input type="checkbox"/> Bodies Corporate - CO <input type="checkbox"/> Banks & Financial Institutions - FI <input type="checkbox"/> Mutual Funds - MF <input type="checkbox"/> Non-Resident Indians - NRI (Non-Repatriation basis) <input type="checkbox"/> National Investment Fund - NIF <input type="checkbox"/> Insurance Funds - IF <input type="checkbox"/> Insurance Companies - IC <input type="checkbox"/> Venture Capital Funds - VCF <input type="checkbox"/> Alternative Investment Funds - AIF <input type="checkbox"/> Others (Please specify) - OTH <small>* HUF should apply only through Karta (Application by HUF would be treated on par with Individuals)</small> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|--|--|--------------------------|-------------------------|-------------------------|-----------------|-----------|----------|-------------------------------|-----------|-----------|-----------|--------------------------|---------------|--|--|--|--|--------------------------|---------------|--|--|--|--|--------------------------|--|
| 4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF") | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) * "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>8 7 6 5 4 3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td> <td></td> <td></td> <td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> | Bid Options | No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) * "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | | | "Cut-off" (Please tick) | Bid Price | Retail Discount | Net Price | Option 1 | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | <input type="checkbox"/> | (OR) Option 2 | | | | | <input type="checkbox"/> | (OR) Option 3 | | | | | <input type="checkbox"/> | 5. CATEGORY <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB |
| Bid Options | | | No. of Equity Shares Bid (In Figures) (Bid must be in multiples of Bid Lot as advertised) | Price per Equity Share (₹) * "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | | | "Cut-off" (Please tick) | | | | | | | | | | | | | | | | | | | | | |
| | Bid Price | Retail Discount | | Net Price | | | | | | | | | | | | | | | | | | | | | | | | |
| Option 1 | 8 7 6 5 4 3 2 1 | 3 2 1 | 3 2 1 | 3 2 1 | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | |
| (OR) Option 2 | | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | |
| (OR) Option 3 | | | | | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | |

| | |
|---|--|
| 7. PAYMENT DETAILS | PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/> |
| Amount paid (₹ in figures) _____ (₹ in words) _____ | |
| ASBA Bank A/c No. _____ | |
| Bank Name & Branch _____ | |

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

| | | |
|---|---|--|
| 8A. SIGNATURE OF SOLE / FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
| Date : _____ | 1) _____ 2) _____ 3) _____ | |

PLEASE FILL IN BLOCK LETTERS

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| | | | |
|----------------------------|---|--|------------------------------------|
| LOGO | XYZ LIMITED INITIAL PUBLIC ISSUE - R | Acknowledgement Slip for Broker/SCSB/DP/RTA | Bid cum Application Form No. _____ |
| DPID / CLID | | | PAN of Sole / First Bidder |
| Amount paid (₹ in figures) | Bank & Branch | Stamp & Signature of SCSB Branch | |
| ASBA Bank A/c No. | | | |
| Received from Mr./Ms. | | | |
| Telephone / Mobile | Email | | |

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| XYZ LIMITED - INITIAL PUBLIC ISSUE - R | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Amount Paid (₹)</td> <td></td> <td></td> <td></td> </tr> </table> | | Option 1 | Option 2 | Option 3 | No. of Equity Shares | | | | Bid Price | | | | Amount Paid (₹) | | | | Stamp & Signature of Broker / SCSB / DP / RTA | Name of Sole / First Bidder |
|---|---|----------|--|----------|----------|----------------------|--|--|--|-----------|--|--|--|-----------------|--|--|--|---|-----------------------------|
| | Option 1 | Option 2 | Option 3 | | | | | | | | | | | | | | | | |
| No. of Equity Shares | | | | | | | | | | | | | | | | | | | |
| Bid Price | | | | | | | | | | | | | | | | | | | |
| Amount Paid (₹) | | | | | | | | | | | | | | | | | | | |
| ASBA Bank A/c No. | | | | | | | | | | | | | | | | | | | |
| Bank & Branch | | | | | | | | | | | | | | | | | | | |
| | | | Acknowledgement Slip for Bidder | | | | | | | | | | | | | | | | |
| | | | Bid cum Application Form No. _____ | | | | | | | | | | | | | | | | |

Application Form for non-residents*

*** The format of Bid cum Application Form applicable for non-residents has not been notified by SEBI**

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| COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR | FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS |
| | Address : _____ Contact Details : _____ CIN No. _____ | |

| | | |
|---|---|------------------------------------|
| LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED | BOOK BUILT ISSUE ISIN : _____ | Bid cum Application Form No. _____ |
|---|---|------------------------------------|

| | | |
|---------------------------------|---------------------------------|--|
| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER |
| | | Mr. / Ms. _____ |
| | | Address _____ |
| | | Email _____ |
| | | Tel. No (with STD code) / Mobile _____ |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. | 2. PAN OF SOLE / FIRST BIDDER |
| | | _____ |

| | |
|---|--|
| 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL | 6. INVESTOR STATUS |
| For NSDL, enter 8 digit DP ID followed by 3 digit Client ID / For CDSL, enter 16 digit client ID | <input type="checkbox"/> NRI Non Resident Indian(s) (Repatriation basis) |
| | <input type="checkbox"/> FII FII or Sub-account not a Corporate/Foreign Individual |
| | <input type="checkbox"/> FIIA FII Sub-account Corporate/Individual |
| | <input type="checkbox"/> FVCI Foreign Venture Capital Investor |
| | <input type="checkbox"/> FPI Foreign Portfolio Investors |
| | <input type="checkbox"/> OTH Others (Please Specify) _____ |

| | | | | | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|-------------|---|---|--|---|
| 4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF") | | | | | | | | | | 5. CATEGORY | | | | |
| Bid Options: | No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised) | | | | | | Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) | | | | | | <input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB | |
| | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 3 | 2 | 1 | 3 | | 2 |
| Option 1 | | | | | | | | | | | | | | |
| (OR) Option 2 | | | | | | | | | | | | | | |
| (OR) Option 3 | | | | | | | | | | | | | | |

| | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|
| 7. PAYMENT DETAILS | | | | | | | | | | PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/> | |
| Amount paid (₹ in figures) _____ (₹ in words) _____ | | | | | | | | | | | |
| ASBA | | | | | | | | | | | |
| Bank A/c No. _____ | | | | | | | | | | | |
| Bank Name & Branch _____ | | | | | | | | | | | |

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED AGREED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THIS "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

| | | |
|--------------------------------------|---|--|
| 8A. SIGNATURE OF SOLE / FIRST BIDDER | 8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
| | I/We authorize the SCSB to do all acts as are necessary to make the Application in the line | |
| Date : _____ | 1) _____ 2) _____ 3) _____ | |

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| LOGO XYZ LIMITED INITIAL PUBLIC ISSUE - NR | Acknowledgement Slip for Broker/SCSB/DP/RTA | Bid cum Application Form No. _____ |
|---|--|------------------------------------|

| | | |
|-------------|----------------------------|--|
| DPID / CLID | PAN of Sole / First Bidder | |
| | | |

| | | |
|----------------------------|---------------|----------------------------------|
| Amount paid (₹ in figures) | Bank & Branch | Stamp & Signature of SCSB Branch |
| ASBA Bank A/c No. | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |

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|--|---|----------|----------|----------|----------------------|--|--|-----------|--|--|-----------------|--|--|---|---|
| XYZ LIMITED - INITIAL PUBLIC ISSUE - NR | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Option 1</td> <td>Option 2</td> <td>Option 3</td> </tr> <tr> <td>No. of Equity Shares</td> <td> </td> <td> </td> </tr> <tr> <td>Bid Price</td> <td> </td> <td> </td> </tr> <tr> <td>Amount Paid (₹)</td> <td> </td> <td> </td> </tr> </table> | Option 1 | Option 2 | Option 3 | No. of Equity Shares | | | Bid Price | | | Amount Paid (₹) | | | Stamp & Signature of Broker / SCSB / DP / RTA | Name of Sole / First Bidder _____ Acknowledgement Slip for Bidder Bid cum Application Form No. _____ |
| Option 1 | Option 2 | Option 3 | | | | | | | | | | | | | |
| No. of Equity Shares | | | | | | | | | | | | | | | |
| Bid Price | | | | | | | | | | | | | | | |
| Amount Paid (₹) | | | | | | | | | | | | | | | |
| ASBA Bank A/c No. | | | | | | | | | | | | | | | |
| Bank & Branch | | | | | | | | | | | | | | | |

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4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

- (a) Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and email and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum Application Form/ Application Form may be used to dispatch communications(including refund intimations and letters notifying the unblocking of the bank accounts of ASBA Bidders) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (c) **Joint Bids/ Applications:** In the case of Joint Bids/ Applications, the Bids/ Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/ Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN OF SOLE/ FIRST BIDDER/ APPLICANT

- (a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in

Sikkim (“PAN Exempted Bidders/ Applicants”). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. Bids/Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/ Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- (c) Bidders should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Accounts or for any other correspondence(s) related to an Issue.
- (d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/ Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/ Offer Opening Date in case of an IPO, and at least one Working Day before Issue Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/ FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Bidders or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares, so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any) then such Bid may be rejected if it is at the Cut-off Price.

- (b) For Eligible NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (c) Bids by QIBs and NIBs must be for such minimum number of shares, such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.
- (d) RIB may revise or withdraw their Bids until Bid/ Offer Closing Date. QIBs and NIB's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- (e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (f) For Anchor Investors, if applicable, the Bid Amount shall be at least ₹100 million. One-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bidding Date and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- (g) A Bid cannot be submitted for more than the Issue size.
- (h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. If there is/are one or more bids at prices at or above the Issue Price, the Bid for the highest number of equity Shares shall be

considered for Allotment This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.
- (b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (c) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
 - (i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - (ii) For Bids from Mutual Funds and FPIs, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (d) The following Bids may not be treated as multiple Bids:
 - (i) Bids by Reserved Categories Bidding in their respective Reservation Category as well as Bids made by them in the Retail Category in public category.
 - (ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - (iii) Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - (iv) Bids by Anchor Investors under the Anchor Investor Category and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with the SEBI ICDR Regulations, with one-third of the Anchor Investor Category reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/ Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation

are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP/ Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the RHP/ Prospectus for more details.
- (c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provide in the ASBA Form. If the Discount is applicable in the Issue, the RIBs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount issued, if any.
- (b) Bidders who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.
- (c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheques, or demand drafts, through money order or through postal order.

4.1.7.1 **Additional Payment Instructions for NRIs**

4.1.7.2 The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 **Instructions for Anchor Investors**

- (a) Anchor Investors may submit their Bids through a Book Running Lead Manager.
- (b) Payments should be made either by RTGS, direct credit or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Accounts for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.4 **Payment Instructions for ASBA Bidders**

- (a) Bidders, except Anchor Investors, may submit the ASBA Form either:
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.

- (b) Bidders must specify the Bank Account number in the ASBA Form. The ASBA Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the ASBA Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated SCSB Branch where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated SCSB Branch may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated SCSB Branch may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated SCSB Branch to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Accounts, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Accounts designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (iv) above may be transferred to the Public Issue Accounts, and (v) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder other than Anchor Investors to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

4.1.7.5 **Discount** (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RIB Category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/ Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.
- (d) Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder, then the signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorization/ undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.
- (d) Bidders/ Applicants must note that Bid cum Application Form without signature of Bidder/ Applicant and/ or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids/Applications made in the Issue may be addressed as under:
 - (i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund intimations, the Bidders should contact the Registrar to the Issue.
 - (ii) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated SCSB Branch.
 - (iii) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
 - (iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker.
 - (v) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - (vi) In case of Bids submitted to the CDP, the Bidders should contact the relevant DP.
 - (vii) Bidder may contact the Company Secretary and Compliance Officer or the BRLM(s) in case of any other complaints in relation to the Issue.

- (c) The following details (as applicable) should be quoted while making any queries –
- (i) full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - (ii) name and address of the Designated Intermediary, where the Bid was submitted;
 - (iii) in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; or
 - (iv) in case of Bids by Anchor Investor, details of direct credit and name of the issuing bank thereof.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/ Offer Period, any Bidder (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RIB may revise their bids or withdraw their Bids on or before the Bid/ Offer Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder/ Applicant had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

| | | |
|--|---|---|
| COMMON BID REVISION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : Contact Details : CIN No | FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI APPLYING ON A NON-REPATRIATION BASIS |
| LOGO | TO, THE BOARD OF DIRECTORS XYZ LIMITED | BOOK BUILT ISSUE ISIN : |
| | | Bid cum Application Form No. _____ |
| SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE | 1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER |
| SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE | Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____ |
| BANK BRANCH SERIAL NO. | SCSB SERIAL NO. | 2. PAN OF SOLE / FIRST BIDDER _____ |
| | | 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID |
| PLEASE CHANGE MY BID | | |
| 4. FROM (AS PER LAST BID OR REVISION) | | |
| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) |
| | 8 7 6 5 4 3 2 1 | Bid Price Retail Discount Net Price "Cut-off" (Please ✓/tick) |
| Option 1 | | |
| (OR) Option 2 | | |
| (OR) Option 3 | | |
| 5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off") | | |
| Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) |
| | 8 7 6 5 4 3 2 1 | Bid Price Retail Discount Net Price "Cut-off" (Please ✓/tick) |
| Option 1 | | |
| (OR) Option 2 | | |
| (OR) Option 3 | | |
| 6. PAYMENT DETAILS | | |
| Additional Amount Paid (₹ in figures) _____ (₹ in words) _____ | | PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/> |
| ASBA Bank A/c No. | Bank Name & Branch | |
| <small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABBRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.</small> | | |
| 7A. SIGNATURE OF SOLE / FIRST BIDDER | 7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____ | BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) |
| Date : _____ | | |
| TEAR HERE | | |
| LOGO | XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R | Acknowledgement Slip for Broker/SCSB/ DP/RTA |
| | | Bid cum Application Form No. _____ |
| DPID / CLID | PAN of Sole / First Bidder | |
| Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch |
| ASBA Bank A/c No. | | |
| Received from Mr./Ms. | | |
| Telephone / Mobile | Email | |
| TEAR HERE | | |
| XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R | Option 1 Option 2 Option 3 | Stamp & Signature of Broker / SCSB / DP / RTA |
| No. of Equity Shares | | Name of Sole / First Bidder |
| Bid Price | | _____ |
| Additional Amount Paid (₹) | | Acknowledgement Slip for Bidder |
| ASBA Bank A/c No. | | |
| Bank & Branch | | |
| | | Bid cum Application Form No. _____ |

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band and RIBs, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

4.2.3 FIELD NUMBER 6: PAYMENT DETAILS

- (a) All Bidders are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may

be adjusted downwards for the purpose of Allotment, such that no additional amount is required to be blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- (d) In case of a downward revision in the Price Band, RIBs and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the finalisation of the Basis of Allotment.

4.2.4 **FIELD NUMBER 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER& DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD NUMBER 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention the Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Issue size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
- i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.
 - ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

- (a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD NUMBER 7: PAYMENT DETAILS

- (a) All Bidders (other than Anchor Investors) are required to only make use of ASBA for applying in an Issue.
- (b) Bid Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.5 Payment instructions for Applicants

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.1 Unblocking of ASBA Account

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.2 Discount (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4.1 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM

Bidders may submit completed Bid-cum-application form/ Revision Form in the following manner:-

| Mode of Application | Submission of Bid cum Application Form |
|-----------------------------------|--|
| Anchor Investors Application Form | To the BRLMs at the locations mentioned in the Anchor Investor Application Form |
| ASBA Form | (a) To the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the designated CDP Location . (b) To the Designated SCSB Branches |

- (a) Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidder had placed the original Bid.
- (b) Upon submission of the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.
- (c) Upon determination of the Issue Price and filing of the Prospectus with the ROC the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI ICDR Regulations. The Issue Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the BRLMs to register their Bid.
- (b) In case of Bidders (excluding NIBs and QIBs) Bidding at Cut-off Price the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries (i) are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the after which the Stock

Exchange(s) send the bid information to the Registrar further processing. Bid/Offer Period with respect to the Bidders other than the Bids received from the Retail Individual Bidders and (ii) shall submit the Bid cum Application Form and modification (at periodic intervals) on a day to day basis during the Bid/Offer Period with respect to Bids received from Retail Individual Bidders after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of Basis of Allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - (i) the Bids accepted by the Designated Intermediaries,
 - (ii) the Bids uploaded by the Designated Intermediaries, and
 - (iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIBs & RIBs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the BRLMs, Designated Intermediaries or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/ Applications are liable to be rejected, among other things, on the following grounds, which have been detailed at various places in this GID:

- (a) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids by OCBs;
- (c) In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/ Application Form;
- (e) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids at a price less than the Floor Price & Bids/ Applications at a price more than the Cap Price;
- (k) Bids at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;
- (m) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Submission of more than five Bid cum Application Forms through a single ASBA Account;
- (o) Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (p) Multiple Bids as defined in this GID and the RHP/ Prospectus;
- (q) Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- (r) In case of Anchor Investors, Bids where sufficient funds are not available in Anchor Investor Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (s) Where no confirmation is received from SCSB for blocking of funds;
- (t) Bids by Bidders (other than Anchor Investors) not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (u) Bids submitted to a Designated Intermediary at locations other than the Bidding Centres or to the Escrow Collection Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Issue;

- (v) Bids not uploaded on the Stock Exchanges bidding system; and;
- (w) Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/ Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/ Prospectus
- (b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and the Promoter Selling Shareholder and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Category to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/ Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|--------------|----------------|---------------------|--------------|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer and the Promoter Selling Shareholder, in consultation with the BRLMs, may finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All Bids at or above this issue price and cut-off bids are valid Bids and are considered for allocation in the respective categories.

(e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs are Allotted Equity Shares at the Floor Price and Allotment to these categories of

Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated SCSB Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“**ASBA Account**”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP/ Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”). The Allotment to the RIBs will then be made in the following manner:

- (a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

- (b) In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Portion.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer and the Promoter Selling Shareholder in consultation with the BRLMs, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

- (b) An Anchor Investor shall make an application of a value of atleast ₹ 100 million in the Offer.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Escrow

Agreement, into the Public Issue Accounts with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Category shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of Equity Shares to the successful Bidders Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Issue may initiate corporate actions for credit to Equity Shares the beneficiary account with Depositories, and within six Working Days of the Bid/ Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/ Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay without

interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Issue for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days from the Bid/Offer Closing Date, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an issue under Regulation 26(2) of SEBI ICDR Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) In case of ASBA Bids: Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts on for unsuccessful Bid and also or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NACH**—National Automated Clearing House is a consolidated system of electronic clearing system. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be

linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- (c) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**— Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund from through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor’s bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (“**IFSC**”). Charges, if any, levied by the Escrow Collection Bank for the same would be borne by our Company. Changes, if any, levied by the Anchor Investor’s bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if the refund instructions have not been given to the clearing system in the prescribed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made within the timelines prescribed under applicable law.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

| Term | Description |
|----------------------------------|---|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| Allotment/ Allot/ Allotted | The allotment of Equity Shares pursuant to the Issue to successful Bidders/ Applicants |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders/ Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges |
| Allottee | An Bidder/ Applicant to whom the Equity Shares are Allotted |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Category in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus |

| Term | Description |
|---|--|
| Anchor Investor Escrow Accounts | Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid |
| Anchor Investor Category | Up to 60% of the QIB Category which may be allocated by the Issuer and the Promoter Selling Shareholder in consultation with the BRLMs to Anchor Investors on a discretionary basis One-third of the Anchor Investor Category is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors |
| Application Supported by Blocked Amount/ / ASBA | An application, whether physical or electronic, used by Bidders, other than Anchor investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB |
| ASBA Account | An account maintained with an SCSB which may be blocked by such SCSBs to the extent of the Bid Amount of the Bidder |
| ASBA Bidder | All Bidders except Anchor Investors. |
| ASBA Form | Application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Banker(s) to the Issue | The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Anchor Investors Escrow Accounts for the Anchor Investors may be opened, and as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer |
| Basis of Allotment | Basis on which the Equity Shares may be Allotted to successful Bidders under the Issue |
| Bid | An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bidding Date by the Anchor Investors pursuant to submission of the Anchor Investor Application Forms, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application |
| Bid Amount | The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount |
| Bid/Offer Closing Date | The date after which the Syndicate, Registered Brokers, the SCSBs, RTAs , DP as the case may be, may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Closing Date |
| Bid/Offer Opening Date | The date on which the Syndicate, the SCSBs, RTAs, DP as the case may be, may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Opening Date |

| Term | Description |
|---|---|
| Bid/Offer Period | Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders/ Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Period |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the RHP/ Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder should be construed to mean an Bidder |
| Book Built Process/ Book Building Process/ Book Building Method | The book building process as provided under the SEBI ICDR Regulations, in terms of which the Issue is being made |
| Broker Centres | Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| BRLM(s)/ Book Running Lead Manager(s)/ Lead Manager/ LM | The Book Running Lead Manager to the Issue as disclosed in the RHP/ Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM |
| CAN/ Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Issue Period |
| Cap Price | The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted |
| Client ID | Client Identification Number maintained with one of the Depositories in relation to demat account |
| Collecting Depository Participant or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE |
| Cut-off Price | Issue Price, finalised by the Issuer and the Promoter Selling Shareholder in consultation with the BRLMs, which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/ Applicants are entitled to Bid at the Cut-off Price |
| DP | Depository Participant |
| DP ID | Depository Participant's Identification Number |
| Depositories | National Securities Depository Limited and Central Depository Services (India) Limited |
| Demographic Details | Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details |
| Designated SCSB Branches | Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |

| Term | Description |
|--|--|
| Designated Date | Date on which funds are transferred by the Escrow Collection Banks from the Anchor Investor Escrow Accounts and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs from the ASBA Accounts, as the case may be, to the Public Issue Accounts or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after the finalisation of Basis of Allotment in consultation with the Designated Stock Exchange |
| Designated Intermediaries | Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Issue |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | The designated stock exchange as disclosed in the RHP/ Prospectus of the Issuer |
| Discount | Discount to the Issue Price that may be provided to Bidders/ Applicants in accordance with the SEBI ICDR Regulations. |
| Draft Prospectus | The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band |
| Equity Shares | Equity Shares of the Issuer |
| Escrow Agreement | Agreement entered into among the Issuer, the Registrar to the Issue, the BRLM(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof |
| Escrow Collection Bank(s) | Refer to definition of Banker(s) to the Issue |
| FCNR Account | Foreign Currency Non-Resident Account |
| First Bidder | The Bidder whose name appears first in the Bid cum Application Form or Revision Form |
| Fixed Price Issue/ Fixed Price Process/ Fixed Price Method | The Fixed Price process as provided under the SEBI ICDR Regulations, in terms of which the Issue is being made |
| Floor Price | The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto |
| FPIs | Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| FPO | Further public offering |
| Foreign Venture Capital Investors or FVCIs | Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 |
| IPO | Initial public offering |
| Issue | Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable |
| Issuer/ Company | The Issuer proposing the initial public offer/ further public offer as applicable |
| Issue Price | The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer and the Promoter Selling Shareholder in consultation with the BRLM(s) |
| Maximum RIB Allottees | The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot. |
| MICR | Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996 |

| Term | Description |
|--|---|
| Mutual Funds Portion | 5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form |
| NEFT | National Electronic Fund Transfer |
| NRE Account | Non-Resident External Account |
| NRI | NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares |
| NRO Account | Non-Resident Ordinary Account |
| Net Issue | The Issue less reservation portion |
| Non-Institutional Investors or NIBs | All Bidders, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Category | The Category of the Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI |
| OCB/ Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| Offer for Sale | Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Promoter Selling Shareholder |
| Other Investors | Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than retail individual bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for. |
| PAN | Permanent Account Number allotted under the Income Tax Act, 1961 |
| Price Band | Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer and the Promoter Selling Shareholder in consultation with the BRLM(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation |
| Pricing Date | The date on which the Issuer and the Promoter Selling Shareholder in consultation with the BRLM(s), finalise the Issue Price |
| Prospectus | The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information |
| Public Issue Accounts | Bank accounts opened under Section 40(3) of the Companies Act, 2013, to receive monies from the Anchor Investor Escrow Accounts and the ASBA Accounts on the Designated Date |
| QIB Category | The Category of the Issue being such number of Equity Shares to be allocated to QIBs on a proportionate basis |
| Qualified Institutional Buyers or QIBs | As defined under the SEBI ICDR Regulations |
| RTGS | Real Time Gross Settlement |

| Term | Description |
|---|---|
| Red Herring Prospectus/ RHP | The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus |
| Refund Account(s) | The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made |
| Refund Bank(s) | Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Registered Broker | Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI |
| Registrar to the Issue/ RTI | The Registrar to the Issue as disclosed in the RHP/ Prospectus and Bid cum Application Form |
| Reserved Portion/ Categories | Categories of persons eligible for making application/ Bidding under reservation Category |
| Reservation Portion | The Category of the Issue reserved for such category of eligible Bidders as provided under the SEBI ICDR Regulations |
| Retail Individual Bidders/ RIBs | Bidders who apply or bid for a value of not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis than ₹200,000 |
| Retail Individual Shareholders | Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000. |
| Retail Category | The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis. |
| Revision Form | The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/ or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s) |
| RoC | The Registrar of Companies |
| SEBI | The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |
| Self Certified Syndicate Bank(s) or SCSB(s) | Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time-to-time |
| Specified Locations | Refer to definition of Broker Centres |
| Stock Exchanges/ SE | The stock exchanges as disclosed in the RHP/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed |
| Syndicate | The BRLM(s) and the Syndicate Member |
| Syndicate Agreement | The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members |
| Syndicate Member(s)/ SM | The Syndicate Member(s) as disclosed in the RHP/ Prospectus |
| Underwriters | The BRLM(s) and the Syndicate Member(s) |

| Term | Description |
|------------------------|--|
| Underwriting Agreement | The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date |
| Working Day | Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, on which the commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 |

SECTION VIII: MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

Share Capital and Variation of Rights

Article 3 provides that

- a) “The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.
- b) Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.”

Article 4 provides that “The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified or may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.”

Article 5 provides that “Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.”

Article 6 provides that “The Company may issue the following kinds of shares in accordance with these Articles. The Act, the Rules and other applicable laws:

- (a) Equity Share Capital
 - (i) With voting rights; and / or
 - (ii) With differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- (b) Preference Share Capital.”

Article 7 provides that “Subject to the applicable provisions of the Act and other applicable laws, any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to

redemption, surrender, drawing, allotment of shares attending (but not voting) at the General Meeting, appointment of Directors and otherwise etc. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.”

Article 8 provides that “The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed there under.”

Article 9 provides that “The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.”

Article 10 provides that, “Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.”

Article 11 provides that “Subject to compliance with applicable provision of the Act and rules framed there under the Company shall have power to issue depository receipts in any foreign country.”

Article 12 provides that following –

- “(1) Subject to compliance with applicable provision of the Act and rules framed there under the Company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed there under.
- (2) Subject to the provision of the Act and rules made there under the Company shall have power to issue any kind of securities duly subdivided/consolidated as permitted to be issued under the Act and rules made there under.”

Article 13 provides the following –

- (1) “Every person whose name is entered as a member in the registrar of members, shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for registration of transfer or transmission or within such other periods as the conditions of issue shall provide-
 - (a) One certificate for all his shares without payment of any charges; or
 - (b) Several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.
- (2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (3) In respect of any shares or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such shareholders.”

Article 14 provides that “(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the

Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue; (b) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.”

Article 15 provides that “The Company or an investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or re-enactment thereof”.

Article 16 provides that, “If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall *mutatis mutandis* apply to debentures of the company.”

Article 17 provides that “The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.”

Article 20 provides that “The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.”

Article 21 provides that “Subject to the provisions of the Act, the Company shall have the power to issue or reissue cumulative or non-cumulative basis preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Company in accordance with the Act.”

Article 22 provides the following-

- (1) “Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation,

whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares then :

- (a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid-up on those shares at that date.
 - (b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
 - (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right
 - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company
- (2) Notwithstanding anything contained in subclause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.
- (a) If a special resolution to that effect is passed by the company in general meeting, or
 - (b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the company.
- (3) Nothing in sub-clause (c) of (1) hereof shall be deemed :
- a) To extend the time within which the offer should be accepted; or
 - b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company:
- (i) To convert such debentures or loans into shares in the company ; or
 - (ii) To subscribe for shares in the company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf ; and
- (b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.”

Lien

Article 23 provides that “The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys(whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company’s lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause”

Article 24 provides that “The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.”

Article 25 provides that “(1) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. (4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.”

Article 28 provides that “The provision of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.”

Calls on Shares

Article 29 provides the following -

- (1) “The option or right to call on shares shall not be given to any person except with the sanction of the Company in general meeting.
- (2) The Board may, subject to clause (1) above, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
- (3) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
- (4) Each member shall, subject to receiving at least fourteen days’ notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. Provided that before the time for payment of such call and/or before receiving any amount towards such call, the Board may by notice revoke or postpone the call so made.
- (5) The Board may, from time to time, at its discretion, extend the time fixed for payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.”

Article 31 provides that “(1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the “due date”), the person from whom the sum is due shall pay interest thereon and such other expenses which have been incurred by the Company due to non-payment of such call as the Board may think fit, from the due date to the time of actual payment at such rate as may be fixed by the Board. (2) The Board shall be at liberty to waive payment of any such interest and other expenses wholly or in part.”

Article 32 provides that “(1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

Transfer of Shares

Article 38 provides that “The Company shall use a common form of transfer. The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act shall be duly complied with in respect of all transfers of shares and their registration.”

Article 39 provides that “(i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.”

Article 40 provides that “Subject to the provisions of Section 58, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares except where the Company has a lien on the shares being transferred.”

Article 41 provides that “The Board may decline to recognize any instrument of transfer unless –

- (a) the instrument of transfer is duly stamped, dated and executed and is in the form as prescribed in the Rules made under sub-section (1) of section 56 of the Act;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.”

Article 43 provides that “The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 of the Act and rules made there under to close the Register of Members and/or the Register of debentures holders and/or other security holders and registration of transfer may be suspended at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.”

Article 44 provides that “The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.”

Article 45 provides that “Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.”

Article 46 provides that “The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.”

Nomination and Transmission of Shares

Article 47 provides the following-

- (i) “Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.
- (ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014.
- (iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.

If the holder(s) of the securities survive(s) the nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.”

Article 48 provides that “(1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.”

Article 49 provides

- (1) “Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
 - (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- (3) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.”

Article 52 provides that “Notwithstanding anything contained in Article 41, in the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed under sub-section 1 of section 56 of the Act or any modification thereof as circumstances permit.”

Article 53 provides that “The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.”

Forfeiture of Shares

Article 54 provides that “If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.”

Article 57 provides that “A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall remain liable to pay to the Company all amounts which were payable by him to the Company in respect of the shares.

All such amounts payable shall be paid together with interest at such rate determined by the Board, from the time of forfeiture until payment or realization. The Board may enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

The liability of such person shall cease if and when the Company receives payment in full of all such amounts in respect of the shares.”

Article 58 provides that “Upon any sale after forfeiture or for enforcing a lien in exercise of its powers, the Board may appoint a person to execute an instrument for transfer of the shares sold and cause the purchaser’s name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.”

Article 59 provides that “Upon any sale, re-allotment or other disposal under the provisions of the preceding provisions, the certificate(s), originally issued in respect of the relative shares shall (unless the same on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and

void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.”

Article 60 provides that “The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.”

Alteration of Capital

Article 61 provides the following –

“Subject to the provisions of the Act, the Company may, by ordinary resolution –

- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares: Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.”

Article 62 provides that “Where shares are converted into stock:

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;
- (c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/ “member” shall include “stock” and “stock-holder” respectively.”

Article 63 provides that “The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules:

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.”

Joint Holders

Article 64 provides that “Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint holders with benefits of survivorship, subject to the following and other provisions contained in these Articles:

- (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
- (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such

evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.

- (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
- (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.
- (e) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.”

Capitalisation of Profits

Article 65 provides

- (1) “The Company, in general meeting may, upon the recommendation of the Board, resolve —
 - (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, securities premium account or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2)
- (2) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
 - (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
 - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportion as may be determined by the law in accordance with the law;
 - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
 - (d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
 - (e) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.”

Article 66 provides -

- (1) “Whenever such a resolution as aforesaid shall have been passed, the Board shall –
 - (a) make all appropriations and applications of the amounts resolved to be authorized thereby, and all allotments and issues of fully paid shares or other securities, if any; and
 - (b) generally, do all acts and things required to give effect thereto.”
- (2) The Board shall have power—
 - (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
 - (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such authorized on, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be authorized, of the amount or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on such members.”

Borrowing Power

Article 67 provides that “Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

- (i) accept or renew deposits from Shareholders;

- (ii) borrow money by way of issuance of Debentures;
- (iii) borrow money otherwise than on Debentures;
- (iv) generally, raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

Provided further that the Board may delegate the power specified in sub clause (iii) herein above (i.e. to borrow money otherwise than on debentures) to a committee constituted for the purpose."

Article 68 provides that "Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities (other than equity shares of the Company,) may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Members by Special Resolution in General Meeting."

Article 69 provides that "The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or Company of any obligation undertaken by the Company or any person or Company as the case may be."

Buyback Securities

Article 73 provides that "Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities."

General Meetings

Article 74 provides that "All general meetings other than annual general meeting shall be called extraordinary general meeting."

Article 75 provides that "The Board / members may call an extraordinary general meeting giving adequate notice or shorter notice, subject to applicable provisions of the Act."

Proceedings at General Meeting

Article 76 provides that "(1) No business shall be transacted at any general meeting unless a quorum of members is present while transacting business. (2) No business shall be discussed or transacted at any general meeting except election of Chairperson whilst the chair is vacant. The quorum for a general meeting shall be as provided in section 103 of the Act."

Article 77 provides that "The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company."

Article 78 provides that "If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one among themselves to be Chairperson of the meeting."

Article 79 provides that “If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by show of hands, by poll or electronically, choose one of their members to be Chairperson of the meeting.”

Article 80 provides that “On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.”

Article 81 provides

- (1) “The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors to be prepared and signed in such manner as prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned thereof in books kept for that purpose with their pages consecutively numbered
- (2) There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –
 - (a) is, or could reasonably be regarded, as defamatory of any person; or
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interests of the Company.
- (3) The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
- (4) The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.”

Article 82 provides the following –

- (1) “The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
 - (a) be kept at the registered office of the Company; and
 - (b) be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all business days.Provided such member gives at least 7 days’ notice in writing of his intention to do so.
- (2) Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of a maximum fee as prescribed in the Act for each page or part thereof, with a copy of any minutes referred to in clause (1) above:
Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Adjournment of Meeting

Article 84 provides that “(1) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place. (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (3) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (4) Save as aforesaid, and save as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.”

Voting Rights

Article 85 provides that “Subject to any rights or restrictions for the time being attached to any class or classes of shares –

- (a) on a show of hands, every member present in person shall have one vote; and
- (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.”

Article 86 provides that “A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.”

Article 88 provides that “A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or senior most guardian as determined in the order in which name stands in the document(s) received by the Company advising of the guardianship.”

Article 89 provides that “Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.”

Article 91 provides that “No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien. The Register of Members shall be conclusive evidence of the payment of calls, liens or other sums and in case of any error in the Register of Members, it shall not invalidate the proceedings of the Meeting.”

Article 92 provides that “A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken.”

Article 93 provides that “A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken.”

Proxy

Article 94 provides that “(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting. (2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a authorize copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.”

Article 95 provides that “An instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105 of the Act.”

Board of Directors

Article 96 provides that “(1) The number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). The Company by a special resolution may increase the number of directors more than fifteen in compliance with the Act. (2) The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.”

Article 97 provides that “Subject to the provisions of the Act, the Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.”

Article 100 provides

- (1) “Subject to the provisions of Sections 149& 161 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and

additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

- (2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.”

Article 101 provides that “(1) The Board may appoint an alternate director to act for a director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. (2) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. (3) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.”

Article 102 provides

- (1) “If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles of the Company, be filled by the Board of Directors at a meeting of the Board.
- (2) Provided, that the director so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated.”

Powers of Board

Article 103 provides that “The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.”

Proceedings of the Board

Article 104 provides

- (1) “The Board of Directors may meet, including giving a shorter notice subject to the provisions of the Companies Act, 2013, for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- (2) The Chairperson or any one Director with the previous consent of the Chairperson may, or the company secretary on the direction of the Chairperson shall, at any time, summon a meeting of the Board.
- (3) The quorum for a Board meeting shall be as provided in the Act.
- (4) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio-visual means as may be prescribed by the Rules or permitted under law.”

Article 105 provides that “(1) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (2) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.”

Article 107 provides that “(1) The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (2) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen

minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.”

Article 108 provides

- (1) “The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
- (2) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (3) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or other audio-visual means, as may be prescribed by the Rules or permitted under law.”

Article 110 provides that “(1) A Committee may meet and adjourn as it thinks fit. (2) Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present. (3) In case of an equality of votes, the Chairperson of the Committee or Meeting shall have a second or casting vote.”

Article 112 provides that “Subject to the provisions of the Act, a resolution of the Board may be passed by circulation, if the resolution has been circulated in draft, along with necessary documents, if any, to all Directors or members of the Committee, as the case may be, at their address registered with the Company in India by hand delivery or by post or by courier or through electronics means and has been approved by majority of Directors or Members, who are entitled to vote on the resolution.”

Appointment of KMPs

Article 113 provides that -

“(a) Subject to the provisions of the Act:

Every whole-time key managerial personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration. Whole-time key managerial personnel of the Company so appointed may be removed in pursuance to the applicable provisions of the Act.

(b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.”

Dividends And Reserve

Article 117 provides that “The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.”

Article 118 provides that “Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.”

Article 119 provides that “(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for authorized dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.”

Article 120 provides

- (1) “Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the

dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

- (2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
- (3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.”

Article 121 provides the following –

- (1) “Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called “_____ Unpaid Dividend Account”
- (2) Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.”

Winding Up

Article 127 provides that “Subject to the applicable provisions of Chapter XX of the Act and the Rules made there under -

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.”

Indemnity And Insurance

Article 128 provides that “(a) Subject to the provisions of the Act, every officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such officer or in any way in the discharge of his duties in such capacity including expenses. (b) Subject as aforesaid, every officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.”

Article 129 provides that “Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any

meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.”

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus to be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

A. Material contracts for the Offer

1. Offer agreement dated September 24, 2018 amongst our Company, the Promoter Selling Shareholder and the BRLMs.
2. Agreement dated August 17, 2018 amongst our Company, the Promoter Selling Shareholder and the Registrar to the Offer.
3. Cash escrow agreement to be entered into amongst our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Account Bank(s), and the Refund Bank(s) for, among other things, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected on the terms and conditions thereof.
4. Share escrow agreement to be entered into amongst our Company, the Promoter Selling Shareholder, and the Share Escrow Agent for deposit of the Equity Shares offered by the Promoter Selling Shareholder in escrow.
5. Syndicate agreement to be entered into amongst the Syndicate, our Company and the Promoter Selling Shareholder in relation to collection of Bids by the Syndicate.
6. Underwriting agreement to be entered into amongst our Company, the Promoter Selling Shareholder and the Underwriters.
7. Monitoring Agency Agreement to be entered into amongst our Company and the Monitoring Agency.

B. Other material contracts in relation to our Company

1. Asset purchase agreement dated February 17, 2017 entered into between our Company, Religare Wealth Management Limited, ARAL and ARSSBL, as amended on March 15, 2017 and March 30, 2017.
2. Shareholders' agreement dated August 10, 2016 entered into between our Company, Anand Rathi Group Shareholders, ARWMPL and Other Shareholders.

C. Material documents

1. Certificates of incorporation of our Company dated March 22, 1995, April 6, 2005, March 8, 2007, July 7, 2015, April 3, 2017 and July 6, 2017.
2. Resolution of the Board dated February 3, 2018 approving the Fresh Issue.
3. Resolution of the shareholders of our Company passed at the extraordinary general meeting dated March 3, 2018 authorizing the Offer.

4. Resolution of the board of directors of ARFSL dated June 13, 2015 authorising the transfer of mutual fund distribution, portfolio management and investment adviser businesses respectively to ARAL.
5. Resolution of the board of directors of ARAL dated August 14, 2015 authorising the acquisition of mutual fund distribution, portfolio management and investment adviser businesses respectively of ARFSL.
6. Resolution of the board of directors of ARAL dated June 27, 2016 authorising the transfer of mutual fund distribution business to our Company.
7. Board resolution of our Company dated June 27, 2016 authorising the acquisition of mutual fund distribution business of ARAL.
8. Shareholders' Agreement dated August 10, 2016 entered into between our Company, Mr. Anand Rathi, Mr. Amit Rathi and Ms. Supriya Rathi, certain other Anand Rathi Group Shareholders, AR Wealth Management Private Limited, and Mr. Sumeet Vaid, Sumeet Surindernath Vaid HUF, Ms. Menka Vaid, Ms. Nandita Sud, Ms. Swati Agrawal, Mr. Bhupendra Sharma, Mr. Jitendra Tanna, Ms. Anisha Chaturvedi, Techno Auto-Components Limited, Mr. Jayant Davar, Mr. Vikram Nirula, Mr. Sujan Sinha, Mr. Harshavardhan Raghunath, Parth Infracon Private Limited, Mr. Sandeep Parwal, Ms. Honey Parwal and Mr. Sandeep Parekh, pursuant to share purchase agreements entered into between each of Mr. Sumeet Vaid, Sumeet Surindernath Vaid HUF, Ms. Menka Vaid, Ms. Nandita Sud, Ms. Swati Agrawal, Mr. Bhupendra Sharma, Mr. Jitendra Tanna, Ms. Anisha Chaturvedi, Techno Auto-Components Limited, Mr. Jayant Davar, Mr. Vikram Nirula, Mr. Sujan Sinha, Mr. Harshavardhan Raghunath, Parth Infracon Private Limited, Mr. Sandeep Parwal, Ms. Honey Parwal and Mr. Sandeep Parekh and, ARWMPL and FWSPL.
9. Asset Purchase Agreement dated February 17, 2017 entered into between our Company, Religare Wealth Management Limited ("**RWML**"), ARAL, ARSSBL, which was amended on March 15, 2017 and, subsequently, again on March 30, 2017 (the "**Asset Purchase Agreement**"), for the purchase of assets pertaining to the mutual fund products distributed by RWML, assets pertaining to the third party venture capital fund products, alternate investment fund products, structured products and portfolio management services distributed by RWML and assets in relation to purchase and sale transactions entered into by RWML in relation to listed equity shares, debentures, exchange traded funds, exchange traded futures and options and similar securities through Religare Securities Limited (acting in its capacity as a stock broker) by our Company.
10. Certified copies of our Memorandum of Association and Articles of Association as amended until date.
11. Board resolution of our Company dated September 1, 2018 and IPO Committee resolution dated September 23, 2018 approving the DRHP.
12. The examination reports of the statutory auditors M/s Khimji Kunverji & Co., Chartered Accountants, dated September 1, 2018 on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.
13. The examination reports of the statutory auditors M/s Khimji Kunverji & Co., Chartered Accountants, dated September 1, 2018 on our Restated Standalone Financial Information included in this Draft Red Herring Prospectus.
14. The statement of tax benefits dated September 24, 2018 included in this Draft Red Herring Prospectus.
15. Copies of the annual reports of our Company for Fiscal 2018, Fiscal 2017, Fiscal 2016, Fiscal 2015 and Fiscal 2014.
16. Research Report titled "*Research Report on Wealth Management*" of September 2018 on Wealth Management prepared by CARE Advisory.
17. Consents of each of our Directors, the BRLMs, legal counsel to the Company as to Indian law, legal counsel to the BRLMs as to Indian law, special international legal counsel to the BRLMs, Registrar to the Offer, Escrow

Collection Banks, Public Offer Bank(s), Refund Bank(s), Bankers to our Company, Company Secretary and Compliance Officer, and the Chief Financial Officer, as referred to, in their specific capacities.

18. Board resolution of Promoter Selling Shareholder dated July 10, 2018 approving the Offer for Sale.
19. Consents from M/s Khimji Kunverji & Co., Chartered Accountants, the Statutory Auditor, Ekistic Advisory and Archilab Design Solutions Private Limited to being named as an “expert” under the Companies Act, 2013 and for inclusion of their respective names, and their respective reports in this Draft Red Herring Prospectus.
20. Tripartite agreement amongst NSDL, our Company and Registrar to the Offer, dated October 20, 2016.
21. Tripartite agreement amongst CDSL, our Company and Registrar to the Offer, dated July 14, 2016.
22. In-principle listing approvals dated [●] and [●] from NSE and BSE, respectively.
23. Due diligence certificate dated September 24, 2018 to SEBI from the BRLMs.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, subject to compliance with applicable laws.

DECLARATION

We, hereby certify and declare that all relevant provisions of the Companies Act, and rules, guidelines and regulations issued by the Government of India or the guidelines and regulations issued by SEBI (established under the SEBI Act), as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Name:
Designation:

Name:
Designation:

Name:
Designation:

Name:
Designation:

Name:
Designation:

Name:
Designation:

Name:
Designation:

Name:
Designation:

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Rajesh Bhutara

Date:
Place: Mumbai

DECLARATION BY ANAND RATHI FINANCIAL SERVICES LIMITED

The Promoter Selling Shareholder confirms that all statements and undertakings made or confirmed by it in this Draft Red Herring Prospectus in relation to itself, as a Promoter Selling Shareholder and the Equity Shares which are being offered by it by way of the Offer for Sale pursuant to the Offer, are true and correct.

SIGNED BY:

ANAND RATHI FINANCIAL SERVICES LIMITED

Date:

Place: