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Wealth Management. uncomplicated

ANAND RATHI WEALTH SERVICES LIMITED

Regd. Office: 4th Floor, Silver Metropolis, Jai Coach Compound Opposite Bimbisar Nagar, Goregaon(East), Mumbai - 400063

CIN No. U67120MH1995PLC086696

Tel.No: 022-4001 3700 | Fax No: 022-4001 3770 | URL: www.rathi.com

NOTICE

NOTICE IS HEREBY GIVEN THAT AN EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF **ANAND RATHI WEALTH SERVICES LIMITED** (FORMERLY KNOWN AS AR VENTURE FUNDS MANAGEMENT LIMITED) WILL BE HELD ON **SATURDAY THE 3RD DAY OF MARCH 2018 AT 11.30 A.M.** AT THE REGISTERED OFFICE OF THE COMPANY AT 4TH FLOOR, SILVER METROPOLIS, JAI COACH COMPOUND, OPP. BIMBISAR NAGAR, GOREGAON (EAST), MUMBAI – 400063 TO TRANSACT THE FOLLOWING BUSINESS:

Item No. 1

Initial public offering of Equity Shares of the Company by way of a fresh issue and an offer for sale by certain of the existing shareholders.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with and subject to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any amendments, statutory modification(s) or re-enactment thereof, for the time being in force), (collectively referred to as the **“Companies Act, 2013”**) and the provisions of the Memorandum of Association of the Company and Articles of Association of the Company, and in accordance with and subject to the applicable provisions of Companies Act, 1956, to the extent in force, the Securities Contracts Regulation Act, 1956, as amended and the rules framed thereunder (**“SCRA”**), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (**“SEBI ICDR Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI Listing Regulations”**) and any other applicable laws, regulations, ordinances, rules, guidelines, policies, notifications, circulars, directions and orders if any, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) prescribed by the Government of India, including by the Department of Industrial Policy and Promotion, Government of India (the **“DIPP”**), the Reserve Bank of India (the **“RBI”**), the Foreign Investment Facilitation Portal (the **“FIFP”**), the Registrar of Companies, Mumbai at Maharashtra (the **“RoC”**), the Department of Economic Affairs, the Ministry of Finance, the relevant stock exchanges, the Securities and Exchange Board of India (**“SEBI”**), or any other competent authority from time to time, (collectively **“Applicable Laws”**) and the provisions of equity listing agreements to be entered with Indian stock exchange(s) where the equity shares of the Company of face value Rs.10 each (the **“Equity Shares”**) are proposed to be listed (**“Stock Exchanges”**), and subject to the approval of relevant government, statutory and/or regulatory authorities, including the DIPP, SEBI, the RBI, the RoC, the Stock Exchanges and such other relevant statutory and other authorities and departments and such other approvals, permissions and sanctions, as may be necessary, consents from third parties (including lenders of the Company), and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the consent, approval and sanction of the Board of Directors of the Company (the **“Board”**, which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board including powers conferred by this resolution), approval of the Shareholders be and is hereby granted to create, offer, issue and allot for cash, such number of Equity Shares aggregating up to INR 2,000 million (including share

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premium) pursuant to a fresh issue (the “**Fresh Issue**”) by way of an initial public offering. In the addition to the Fresh Issue, the consent, approval and sanction of the Shareholders be and is hereby granted to the inclusion of an offer for sale component as part of the initial public offering, which will entail an offer for sale by certain existing shareholders of the Company as the Board may accept, in accordance with the applicable provisions of the Companies Act, 2013, aggregating up to INR 3,000 million, which are eligible for offering for sale in accordance with the SEBI ICDR Regulations (the “**Offer for Sale**” and such shareholders, the “**Selling Shareholders**”; the Offer for Sale together with the Fresh Issue, the “**Offer**” or the “**IPO**”), at such price as may be determined in accordance with the book building process under the SEBI ICDR Regulations (at par, premium or discount) and as agreed to by the Company and the Selling Shareholders, in consultation with the book running lead managers to the IPO (“**BRLMs**”). The Offer will be made to any category of person or persons as permitted under Applicable Laws, as decided by the Company and Selling Shareholders in consultation with the BRLMs, including to (i) foreign investors, such as registered foreign portfolio investors, alternative investment funds, foreign venture capital investors, non-resident Indians, (ii) mutual funds, venture capital funds, alternative investment funds, public financial institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, pension funds, national investment fund, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, Ministry of Communications and Information Technology, India, systemically important non-banking financial companies, (iii) trusts/societies registered under the Societies Registration Act, 1860, (iv) employees and/or workers of the Company, (v) bodies corporate, any other private or public companies, or other body corporate(s) or entities, whether incorporated or not, and such other persons, including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof and/or any other categories of investors, including anchor investors, as may be permitted under Applicable Laws, whether they be holders of Equity Shares or not, provided that such number of additional Equity Shares to the extent of up to 10% of the Fresh Issue or such other extent as may be permitted by the SEBI ICDR Regulations may be issued and allotted as may be required for the purposes of rounding off to the nearest integer while finalising the basis of allotment including the issue and allotment/transfer of Equity Shares to a stabilising agent pursuant to a green shoe option, if any, in terms of the SEBI ICDR Regulations, as the Company and the Selling Shareholders may, in their discretion decide, in consultation with the BRLMs, and as may be permissible under Applicable Laws.

“**RESOLVED FURTHER THAT** the consent and approval of the Shareholders be and is hereby granted to make available for allocation a portion of the IPO to any category(ies) of persons permitted under Applicable Laws or as may be permitted by SEBI, including without limitation, eligible employees and/or shareholders of listed group companies (the “**Reservation**”), or to provide a discount to the IPO price to any category(ies) of persons permitted under Applicable Laws or as may be permitted by SEBI, including retail individual bidders or eligible employees (the “**Discount**”); and to take any and all actions in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalise and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.”

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“RESOLVED FURTHER THAT the Equity Shares so allotted /transferred in the IPO shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank *pari passu* in all respects with the existing Equity Shares, provided that the investors who are allotted or transferred Equity Shares pursuant to the IPO shall be entitled to participate in dividends, if any, declared by the Company after the allotments and transfer of Equity Shares pursuant to the IPO, in compliance with the Applicable Laws.”

“RESOLVED FURTHER THAT subject to Applicable Law, the Equity Shares allotted/ transferred pursuant to the IPO shall be listed on the Stock Exchanges.”

“RESOLVED FURTHER THAT any of the directors of the Company, Company Secretary and such other persons as may be authorized by the Board, on behalf of the Company, be severally authorized to file necessary forms with the RoC and any other authorities and execute and sign all relevant documents including but not limited to consent letters, powers of attorney, agreements, certificates etc., as may be required in order to give effect to these resolutions.”

Item No. 2:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Amendment of the Articles of Association:

RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, if any, to the extent not repealed, and the Companies Act, 2013, to the extent notified, and rules issued thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), applicable provisions of the Securities Contract Regulation Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, listing requirements of the stock exchange(s) where the securities of the Company are proposed to be listed and in accordance with the enabling provisions of the Memorandum and Articles of Association and subject to the applicable provisions of any other law and such other approvals as may be required, the current Articles of Association of the Company be and is hereby substituted in its entirety by the revised Articles of Association.

Item No. 3:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Increase in limit of foreign investment in the Company by Foreign Portfolio Investors

“RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, read with the Master Directions On Foreign Investment dated January 4, 2018 issued by Reserve Bank of India, Securities Exchange Board of India (Foreign Portfolio Investor) Regulations, 2014, the Consolidated FDI Policy effective from August 28, 2017, as subsequently amended, and all other applicable rules, and regulations, guidelines and laws (including any statutory modifications or

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re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board approval of the Shareholders be and is hereby accorded to permit Foreign Portfolio Investors (“**FPIs**”), including their sub-accounts and Qualified Financial Investors, registered with the Securities Exchange Board of India (“**SEBI**”) (which are deemed FPIs) to acquire and hold on their own account and on behalf of each of their respective sub-accounts registered with SEBI, such number of equity shares aggregating up to 49% of the issued, subscribed and paid-up equity share capital of the Company for the time being, subject to applicable laws, rules and regulations.

Item No. 4:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Increase in limit of NRI investment in the Company

“**RESOLVED THAT** pursuant to the provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, read with the Master Directions on Foreign Investment dated January 4, 2018 issued by Reserve Bank of India, the Consolidated FDI Policy effective from August 28, 2017, as subsequently amended, and all other applicable rules, and regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board, approval of the Shareholders be and is hereby accorded to permit Non Resident Indians (“**NRIs**”), to acquire and hold on their own account such number of equity shares aggregating up to 24% of the issued, subscribed and paid-up equity share capital of the Company for the time being, subject to applicable laws, rules and regulations.

Item No. 5:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Increase in Authorised Share Capital

“**RESOLVED THAT**,subject to the approval of shareholders of the Company, and pursuant to Section 61 and other applicable provisions of the Companies Act, 2013 the Authorized share capital of the Company be increased from Rs. 150,000,000 divided into 15,000,000 equity shares of Rs.10 each to Rs. 200,000,000 divided into 20,000,000 equity shares of Rs. 10 each”.

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“**RESOLVED FURTHER THAT**, approval of the Shareholders is accorded pursuant to Section 13 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the existing clause V of the Memorandum of Association of the Company be altered by deleting the same and substituting in its place, the following clause:

V. The Authorised Share Capital of the Company is Rs. 200,000,000 (rupees twenty crores only) divided into 20,000,000 equity shares of Rs.10 each, with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify, from time to time, such shares into any class of shares.”

Item No. 6:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Amendment to the Employee Stock Option Scheme of the Company:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 and the rules thereunder, the provisions applicable if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”) and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, (“**SEBI SBEB Regulations**”) approval of the Shareholders of the Company is hereby accorded for the Employee Stock Option Scheme(s) of the Company, namely, ESOP 2017 (the “**ESOP Scheme**”) which have been aligned with the provisions of the SEBI SBEB Regulations and the same be given effect to by the Board of Directors of the Company as they may deem fit.”

Item No. 7:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

Include new ESOP-2018

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) of the Companies Act, 2013 and the rules thereunder, the provisions applicable if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**Listing Regulations**”) and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as

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amended, (“SEBI SBEB Regulations”) approval of the Shareholders of the Company is hereby accorded for adopting the ESOP-2018 scheme (the “ESOP Scheme”) prepared in accordance with the provisions of the SEBI SBEB Regulations. The equity shares to be earmarked for the employees of the Company, so as not to exceed 2% of the paid-up share capital of the Company and the same be given effect to by the Board of Directors of the Company as they may deem fit.”

By Order of the Board
For **Anand Rathi Wealth Services Limited**



Dilip Balakrishnan
Company Secretary

Mumbai
26 February 2018

Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (“the Act”), concerning the special business in the Notice is annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. A person can act as a proxy for only 50 (fifty) members and hold in the aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other member.
4. Corporate Members intending to send their authorized representatives to attend the Extraordinary General Meeting (EGM) are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the EGM.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members/proxies/Authorised Representatives should bring the enclosed attendance slip, duly filled in, for attending the Meeting.
7. Members who hold share(s) in electronic mode may please write their DP ID and Client ID number and those who hold share(s) in physical form are requested to write their folio numbers in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
8. Members are requested to send all communication relating to shares, change of address, etc, to The Company Secretary at the registered office of the Company or by email to: dilipbalakrishnan@rathi.com
9. The requisite Statutory Registers such as Register of Directors and Key Managerial Personnel, the Register of contracts or arrangements in which the Directors are interested and relevant documents referred to in the accompanying Notice and Explanatory Statements are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday and Sunday between 11.00 A.M. and 5.00 P.M. from the date hereof up to the date of the EGM.
10. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at an early date so as to enable the Management to keep the information ready at the Meeting.

EXPLANATORY STATEMENT AS REQUIRED U/S. 102 OF THE COMPANIES ACT, 2013

The following explanatory statement relating to the accompanying notice set out all material facts:

Item no. 1:

The Company proposes to create, offer, issue and allot for cash such number of equity shares of the Company of face value INR 10 each (the "Equity Shares") up to an aggregate of up to INR 2,000 million pursuant to a fresh issue (the "Fresh Issue") by way of an initial public offering and include an offer for sale component as part of the initial public offering which will entail an offer for sale by certain existing shareholders of the Company, as the Board may accept, in accordance with the applicable provisions of the Companies Act, 2013, aggregating upto INR 3,000 million which are eligible for offering for sale in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**") (the "Offer for Sale" and such shareholders, the "**Selling Shareholders**", the Offer for Sale together with the Fresh Issue, the "**Offer**" or the "**IPO**") on such terms, in such manner, at such time and at a price to be determined by the book building process as agreed to by the Company and the Selling Shareholders, in consultation with the book running lead managers to the IPO ("**BRLMs**"), in accordance with applicable laws, including without limitation the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any amendments, statutory modification(s) or re-enactment thereof, for the time being in force), (collectively referred to as the "**Companies Act, 2013**") and the provisions of the Memorandum of Association of the Company and Articles of Association of the Company, and in accordance with and subject to the applicable provisions of Companies Act, 1956, to the extent in force, the Securities Contracts Regulation Act, 1956, as amended and the rules framed thereunder ("**SCRA**"), the SEBI ICDR Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and any other applicable laws, regulations, ordinances, rules, guidelines, policies, notifications, circulars, directions and orders if any, in India or outside India (including any amendment thereto or re-enactment thereof for the time being in force) prescribed by the Government of India, including by the Department of Industrial Policy and Promotion, Government of India (the "**DIPP**"), the Reserve Bank of India (the "**RBI**"), the Foreign Investment Facilitation Portal (the "**FIFP**"), the Registrar of Companies, Mumbai at Maharashtra (the "**RoC**"), the Department of Economic Affairs, the Ministry of Finance, the relevant stock exchanges, the Securities and Exchange Board of India ("**SEBI**"), or any other competent authority from time to time, and the provisions of equity listing agreements to be entered with Indian stock exchange(s) where the Equity Shares are proposed to be listed ("**Stock Exchanges**"), and subject to the approval of relevant government, statutory and/or regulatory authorities, including the DIPP, SEBI, the RBI, the RoC, the Stock Exchanges and such other relevant statutory and other authorities and departments and such other approvals, permissions and sanctions, as may be necessary, consents from third parties (including lenders of the Company), and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the consent, approval and sanction of the Board of Directors of the Company. The Offer will be made to any category of persons as permitted under applicable laws, as decided by the Company and the Selling Shareholders in consultation with the BRLMs, including to various categories of investors including (i) foreign investors, such as registered foreign portfolio investors, alternative investment funds, foreign venture capital investors, non-resident Indians, (ii) mutual funds, venture capital funds, alternative investment funds, public financial institutions, scheduled commercial banks, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, pension funds, national investment fund, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, Ministry of Communications and Information Technology, India, systemically important non-banking financial companies, (iii) trusts/societies registered under the Societies Registration Act, 1860, (iv) employees and/or

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workers of the Company, (v) bodies corporate, any other private or public companies, or other body corporate(s) or entities, whether incorporated or not, and such other persons, including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof and/or any other categories of investors, including anchor investors, as may be permitted under applicable laws, whether they be holders of Equity Shares or not, provided that such number of additional Equity Shares to the extent of up to 10% of the Fresh Issue or such other extent as may be permitted by the SEBI ICDR Regulations may be issued and allotted as may be required for the purposes of rounding off to the nearest integer while finalising the basis of allotment including the issue and allotment/transfer of Equity Shares to a stabilising agent pursuant to a green shoe option, if any, in terms of the SEBI ICDR Regulations, as the Company and the Selling Shareholders may, in their discretion decide, in consultation with the BRLMs, and as may be permissible under applicable laws. The Equity Shares allotted/transferred in the IPO shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank in all respects *pari passu* with the existing equity shares of the Company provided that the investors who are allotted or transferred Equity Shares pursuant to the IPO shall be entitled to participate in dividends, if any, declared by the Company after the allotments and transfer of Equity Shares pursuant to the IPO, in compliance with the applicable laws.

A portion of the IPO shall be available for allocation to any category(ies) of persons permitted under applicable laws or as may be permitted by SEBI, including without limitation, eligible employees and/or shareholders of listed group companies (the "**Reservation**"), or a discount may be provided to the IPO price to any category(ies) of persons permitted under applicable laws or as may be permitted by SEBI, including retail individual bidders or eligible employees (the "**Discount**").

The Equity Shares are proposed to be listed on the Stock Exchanges and the Company will be required to enter into listing agreements with each of the Stock Exchanges.

In view of the above and in terms of Section 62(1)(c), and other applicable provisions of the Companies Act, 2013, the approval of the shareholders of the Company is required through a special resolution.

The proceeds of the Fresh Issue are to be utilised for the purposes that shall be disclosed in the draft red herring prospectus to be filed with the SEBI in connection with the IPO. The Board has the authority to modify the objects on the basis of the requirements of the Company, subject to applicable law. The price at which the Equity Shares will be allotted through the IPO, as well as the price band within which bidders in the IPO will be able to put in bids for Equity Shares offered in the IPO shall be determined and finalised by the Company and the selling shareholders in consultation with the book running lead managers to the IPO in accordance with the SEBI ICDR Regulations, on the basis of the book building process.

The Company has not made and will not make an offer of the Equity Shares to any of the promoters, directors or key managerial personnel. However, the directors (other than directors who are also promoters or a part of the promoter group) or the key managerial personnel may apply for the Equity Shares in the various categories under an IPO in accordance with the SEBI ICDR Regulations.

The Board recommends the resolution for your approval as a special resolution. Additionally, to the extent the above requires amendments to be made in terms of the Companies Act 2013, the SEBI ICDR Regulations, any other law or if recommended by various advisors to the Company in connection with the IPO, the Board will make necessary amendments.

All the Directors, key managerial personnel and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) may be deemed to be concerned or interested in the proposed resolution to the extent of shares, which may be subscribed for and allotted in their names.

Item no. 2:

In relation to the proposed raising of funds through further issue of Equity Shares, the articles of association of the Company would also need to be amended accordingly to reflect the requirements of the stock exchanges with which the Company intends to list its Equity Shares and other applicable laws. Accordingly, the Board hereby recommends that the amendments to the articles of association made pursuant to the applicable provisions of the Companies Act, 1956, if any, to the extent not repealed, and the Companies Act, 2013, to the extent notified, and rules issued thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), applicable provisions of the Securities Contract Regulation Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, listing requirements of the stock exchange(s) where the securities of the Company are proposed to be listed and in accordance with the enabling provisions of the Memorandum and the existing Articles of Association and subject to the applicable provisions of any other law and such other approvals as may be required, and placed before the shareholders be approved and adopted.

The Board recommends the resolution for approval of the members of the Company.

None of the directors, managers, key management personnel and relatives of directors and/or key management personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution other than in relation to any offer for sale of equity shares by them (if applicable).

Item no. 3:

In relation to the proposed raising of funds through further issue of Equity Shares, the Company proposes to increase the limit of investment by foreign portfolio investors in the Company from 24 % to up to 49 % of the paid-up equity share capital of the Company. This would allow foreign portfolio investors including the sub-accounts and Qualified Financial Investors, registered with the Securities Exchange Board of India ("SEBI") (which are deemed FPIs) to acquire and hold on their own account and on behalf of each of their respective sub-accounts registered with SEBI, such greater number of equity shares aggregating up to 49% of the equity shares proposed to be offered in the Offer.

The Board recommends the resolution for approval of the members of the Company.

None of the directors, managers, key management personnel and relatives of directors and/or key management personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution other than in relation to any offer for sale of equity shares by them (if applicable).

Item no. 4:

In relation to the proposed Offer, the Company proposes to increase the aggregate limit of investment by non-resident Indians in the Company up to 24% of the paid-up equity share capital of the Company. This would allow non-resident Indians to acquire and hold on their own account to a greater extent to the equity shares proposed to be offered in the Offer and also allow effective post-listing trading in the Equity Shares by non-resident Indians.

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The Board recommends the resolution for approval of the members of the Company.

None of the directors, key management personnel and relatives of directors and/or key management personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution other than in relation to any offer for sale of equity shares by them (if applicable).

Item No. 5:

Section 61(1)(a) of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof, for the time being in force, the "Companies Act") provides that a limited company having a share capital may, if so authorized by its Articles of Association, with the consent of its members in its general meeting, alter the conditions of its Memorandum of Association so as to increase its authorized share capital by such amount as it thinks expedient by issuing new shares.

Article 5 (a) of the Articles of Association empowers the Company to increase, consolidate, subdivide, reduce or otherwise alter its Authorized Share Capital, for the time being, and to divide the shares in the capital into several classes with rights, privileges or conditions, as may be determined.

For the purposes of accommodation of the fresh capital that Company may intend to issue from time to time, it is recommended by the Board that the present authorized share capital of the Company should be increased from Rs. 150,000,000 divided into 15,000,000 equity shares of Rs.10 each to Rs. 200,000,000 divided into 20,000,000 equity shares of Rs. 10 each and Clause V of the Memorandum of Association should be amended accordingly.

A copy of the existing Memorandum of Association of the Company along with the proposed draft amendments is available for inspection by any shareholder at the registered office of the Company between 10.00 a.m. and 1.00 p.m. on all working days of the Company (Monday to Friday) from the date of dispatch of notice up to the 16th Day of March, 2018.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business.

The Board recommends the resolution for approval of the members of the Company.

Item no. 6:

Shareholders are informed that the Company had introduced an ESOP 2017 (Employees Stock Option Plan), given the fact that employees are the key in this Wealth Management space and needs motivation. Their performance has been consistently on the rise and thereby this would act as a retention tool as well as to align the efforts of such talent towards long term value creation in the organization to attract new talent. In order to align the same with the provisions of the Companies Act, 2013 and the rules thereunder, SEBI ICDR Regulations as well as the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and the Securities and Exchange Board of India (Share Based Employee Benefits)

Regulations, 2014, as amended, ("SEBI SBEB Regulations") approval of the Shareholders of the Company is hereby accorded, the employee stock option scheme(s) of the Company, namely, ESOP 2017 (the "ESOP Scheme") be amended to suit the requirements of SEBI SBEB Regulations. The modifications do not specifically benefit any of the option holders but are being carried out to bring the Scheme in line with the applicable provisions of the SEBI ICDR, Listing Regulations, Companies Act and SEBI SBEB Regulations.

The following are the modifications in ESOP 2017:

1. Applicability of Statutes/Regulations has been amended to the extent so as to include those which are required for a listed company
2. Definition of Promoter and Promoter group has been amended so as to fall in line with definitions stated under SEBI (Issue of Capital and disclosure Requirements) Regulations, 2009
3. The existing scheme provides for transfer of options in case of demise of an option-grantee - the same has now been modified to bring clarity to this aspect and allow the transfer to pass on:
 - a. To the nominee
 - b. To the Successors to the Will / Legal heirs, as the case may be
4. To make the modification so that in the case of an Employee resigning, both the 'Vested' and 'Unvested' Options shall lapse with immediate effect thereupon

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business OR to the extent as an employee.

The Board recommends the resolution for approval of the members of the Company.

Item no. 7:

Shareholders are informed that while the Company had introduced an ESOP 2017 (Employees Stock Option Plan), given the fact that employees are the key in this Wealth Management space and needs motivation. In order to retain best talent in the Industry and to keep them motivated as well as to attract more talent, it is proposed to widen the opportunity for the Employees to be a part of the Company's success as investors. The same would be compliant with the provisions of the Companies Act, 2013 and the rules thereunder, as well as the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, ("SEBI SBEB Regulations") approval of the Shareholders of the Company is hereby accorded, the employee stock option scheme(s) of the Company, namely, ESOP 2018 (the "ESOP Scheme") be amended to suit the requirements of SEBI SBEB Regulations. The salient features of the Scheme are given below:

ANANDRATHI

Wealth Management. uncomplicated

ANAND RATHI WEALTH SERVICES LIMITED

Regd. Office: 4th Floor, Silver Metropolis, Jai Coach Compound Opposite Bimbisar Nagar, Goregaon(East), Mumbai - 400063

CIN No. U67120MH1995PLC086696

Tel.No: 022-4001 3700 | Fax No: 022-4001 3770 | URL: www.rathi.com

- 1 It is a scheme where Options conferring a right to subscribe to Equity shares of Rs 10 each of the Company. The Options are exercised, upon which shares are issued to the eligible Employees, over a period of 5 years
- 2 Not more than 2% of the issued share capital of the Company subject to the yearly limit provided under Rule 6(3)(d) of SEBI SBEB Regulations, which is at present 1% of the issued share capital, which is subject to change from time to time
- 3 All employees of Anand Rathi Wealth Services Limited and its subsidiaries
- 4 The requirements of vesting will be determined by the Compensation Committee (which is the Nomination and Remuneration Committee). Options granted under this scheme would vest in one or more tranches after the expiry of a period of one year from the date of such grant and not later than 5 years there upon.
- 5 The exercise price will be as a percentage discount to the fair market value or the listed market price as decided by the Compensation Committee
- 6 Exercise period shall be 6 months from the date of vesting of the Options. Upon the date from which the vesting can be exercised, the Employee may apply for the shares. The Board to allot the shares upon receipt of the price fixed as per the terms and conditions of the scheme.
- 7 The appraisal process for determining the eligibility of Employees as specified by the Nomination and Remuneration Committee
- 8 The maximum no. of Options per Employee will be 0.2% of the Issued capital of the Company as on that date
- 9 The scheme will be implemented and administered by the Company
- 10 The scheme would involve issue of shares by the Company
- 11 It is explicitly stated that the Company shall adhere to the Accounting policies specified under Regulation 15 of SEBI SBEB Regulations
- 12 The Company shall value its Options based on the valuation report provided by a Chartered Accountant or Merchant Banker, as may be decided by the Compensation Committee
- 13 In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share of the Company shall also be disclosed in the Directors' Report
- 14 In case a person ceases to be an Employee, due to any reason, except due to demise or permanent incapacitation or transferred / deputed to an associate company, any vested Options shall lapse

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business OR to the extent of benefit as an employee.

The Board recommends the resolution for approval of the members of the Company.

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CIN No. U67120MH1995PLC086696

Tel. No: 022-4001 3700 | Fax No: 022-4001 3770 | URL: www.rathi.com

ATTENDANCE SLIP

(Extra - Ordinary General Meeting)

Regd. Folio No No. of shares held

*Demat A/c No DP ID. No

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of Anand Rathi Wealth Services Limited.

I hereby record my presence at the Extra - Ordinary General Meeting of the Company at the Registered Office of the Company on Saturday 3rd March 2018 at 11.30 AM at 4th Floor, Silver Metropolis, Jai Coach Compound, Opp. Bimbisar Nagar, Goregaon (East), Mumbai – 400063.

Member's/Proxy's/Representative's Name:

Signature:

*Applicable if shares are held in electronic form.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copy of Notice to the meeting.

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CIN No. U67120MH1995PLC086696

Tel.No: 022-4001 3700 | Fax No: 022-4001 3770 | URL: www.rathi.com

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U67120MH1995PLC086696

Name of the Company: **ANAND RATHI WEALTH SERVICES LIMITED**

(FORMERLY KNOWN AS AR Venture Funds Management Limited)

Registered office: 4th Floor, Silver Metropolis, Jai Coach Compound, Opp. Bimbisar Nagar

Goregaon (East), Mumbai-400063

Name of the Member(s):

Registered address:

I/ We being the member of **ANAND RATHI WEALTH SERVICES Limited**, holding..... shares, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:

2. Name:

Address:

E-mail Id:

Signature:,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Extra Ordinary General Meeting** of members of the Company, to be held on SATURDAY, 3rd DAY, OF MARCH 2018 AT 11.30 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 4TH FLOOR, SILVER METROPOLIS, JAI COACH COMPOUND, OPP. BIMBISAR NAGAR, GOREGAON (EAST), MUMBAI – 400063, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no. 1

Resolution no. 2

Resolution no. 3

Resolution no. 4

Resolution no. 5

Resolution no. 6

Resolution no. 7

Signed this day of 2018

Signature of Shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting