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ANAND RATHI SHARE AND STOCK BROKERS LIMITED

Our Company was originally incorporated as 'Navratan Capital and Securities Private Limited', at Mumbai as a private limited company under the provisions of Companies Act, 1956 and received a certificate of incorporation issued by the RoC on November 22, 1991. Our Company got converted into a public limited company pursuant to a Board resolution dated January 10, 2007 and a special resolution passed by the Shareholders on February 05, 2007, and the name of our Company was changed to, 'Navratan Capital and Securities Limited'. A fresh certificate of incorporation was issued by the RoC on March 21, 2007. Subsequently, the name of our Company was changed from 'Navratan Capital and Securities Limited' to 'Anand Rath Share and Stock Brokers Limited', pursuant to a Board resolution dated August 26, 2007 and a special resolution passed by our Shareholders on October 26, 2007. A fresh certificate of incorporation dated January 29, 2008, was issued by the RoC to our Company. For details of changes in the name and registered office of our Company, see 'History and Certain Corporate Matters' on page 239 of the Red Herring Prospectus dated September 17, 2025 ("RHP") filed with the RoC.

Registered Office and Corporate Office: Express Zone, A Wing, 10th Floor, Western Express Highway, Goregaon (E), Mumbai - 400063; **Contact Person:** Chetan Pravinbhai Prajapati, Company Secretary and Compliance Officer; Tel: +91 22 - 6281 7000; E-mail: secretarial@rathi.com; **Website:** www.anandrathi.com; **Corporate Identity Number:** U67120MH1991PLC064106

OUR PROMOTERS: ANAND NANDKISHORE RATHI, PRADEEP NAVRATAN GUPTA, PRITI PRADEEP GUPTA AND ANAND RATHI FINANCIAL SERVICES LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (EQUITY SHARES) OF ANAND RATHI SHARE AND STOCK BROKERS LIMITED (OUR COMPANY) FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (ISSUE PRICE) AGGREGATING UP TO ₹ 7,450.00 MILLION (ISSUE). THE ISSUE MAY INCLUDE A RESERVATION OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 100.00 MILLION (CONSTITUTING [●]% OF OUR POST-ISSUE EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (EMPLOYEE RESERVATION PORTION). OUR COMPANY MAY, IN CONSULTATION WITH THE BRLMS, OFFER A DISCOUNT OF UP TO [●]% OF THE ISSUE PRICE (EQUIVALENT OF ₹ 25 PER EQUITY SHARE) TO THE ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION (EMPLOYEE DISCOUNT), SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE 'NET ISSUE'. THE ISSUE AND THE NET ISSUE SHALL CONSTITUTE [●]% AND [●]% OF OUR POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

DETAILS OF THE OFFER FOR SALE			
NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)
NOT APPLICABLE			

PRICE BAND: ₹ 393 TO ₹ 414 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH.

THE FLOOR PRICE IS 78.60 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 82.80 TIMES THE FACE VALUE OF THE EQUITY SHARES.

THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2025 AT THE LOWER END OF THE PRICE BAND IS 20.84 TIMES AND AT THE UPPER END OF THE PRICE BAND IS 21.95 TIMES

BIDS CAN BE MADE FOR A MINIMUM OF 36 EQUITY SHARES AND IN MULTIPLES OF 36 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 25 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION
WEIGHTED AVERAGE RETURN ON NET WORTH FOR LAST THREE FINANCIAL YEARS IS 21.95%.

BID/ISSUE PERIOD

ANCHOR INVESTOR BIDDING DATE: MONDAY, SEPTEMBER 22, 2025

BID/ISSUE OPENS ON: TUESDAY, SEPTEMBER 23, 2025

BID/ISSUE CLOSES ON^: THURSDAY, SEPTEMBER 25, 2025

^ UPI mandate end time and date shall be at 5pm, on Bid/Issue Closing Date.

We are an established full-service brokerage house in India with over 30 years of experience. We provide broking services, margin trading facility and distribution of financial products under the brand 'Anand Rathi' to a diverse set of clients across retail, high net worth individuals, ultra-high net worth individuals and institutions. Our investment offerings span across a wide array of asset classes like equity, derivatives, commodities, and currency markets. Our 3 decades of track record, comprehensive product offerings, and focus on serving this key demographic, positions us for continued growth. We are a part of the Anand Rathi group which carries out a diverse range of financial services business through its group companies.

THE ISSUE IS BEING MADE THROUGH THE BOOK BUILDING PROCESS IN ACCORDANCE WITH REGULATION 6(1) OF THE SEBI ICDR REGULATIONS.
THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON THE MAIN BOARD OF BSE AND NSE.
NSE SHALL BE THE DESIGNATED STOCK EXCHANGE.

- QIB Portion: Not more than 50% of the Net Issue • Non-Institutional Portion: Not less than 15% of the Net Issue
- Retail Portion: Not less than 35% of the Net Issue • Employee Reservation Portion: Upto [●] Equity share aggregating up to ₹ 100.00 million

IN MAKING AN INVESTMENT DECISION AND PURCHASE IN THE ISSUE, POTENTIAL INVESTORS MUST ONLY RELY ON THE INFORMATION INCLUDED IN THE RHP AND THE TERMS OF THE ISSUE, INCLUDING THE RISKS INVOLVED AND NOT RELY ON ANY OTHER EXTERNAL SOURCES OF INFORMATION ABOUT THE ISSUE AVAILABLE IN ANY MANNER.

In accordance with the recommendation the Committee of Independent Directors of our Company, pursuant to their resolution dated September 17, 2025, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Issue Price" section on page 154 of RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transactions, as applicable, disclosed in the "Basis for Issue Price" section on page 154 of RHP and provided below in this advertisement.

In relation to the Price Band, potential investors should only refer to this price band advertisement for the Issue and should not rely on any media articles/ reports in relation to the valuation of our Company as these are not endorsed, published or confirmed either by the Company or by the BRLMs.

RISK TO INVESTORS:

For details, refer to section titled "Risk Factors" on page 35 of the RHP.

1. Our Company has made various private placement offers of secured redeemable unlisted non-convertible debentures (NCDs) to a select group of persons including a QIB during Fiscal 2023, Fiscal 2024, and Fiscal 2025, with each private placement offer having a distinctive ISIN. Some of the initial subscribers further transferred the NCDs allotted to them within 6 months from the date of allotment of the NCDs. While the total number of the initial subscribers and / or the total number of unique NCD holders after the down-sale in respect of a private placement offer under a distinct private placement offer/ISIN did not exceed 200 unique NCD holders in any financial year, if the private placement offer/s under a distinct ISIN are clubbed together, then the aggregate number of unique NCD holders exceeded 200, which could be considered as non-compliance of the provisions of Sections 25 and 42 of the Companies Act and applicable provisions of the Companies Act and securities laws. Our Company has filed an application u/s 454 of the Companies Act 2013 for adjudication with the RoC and a settlement application with SEBI, both of which are pending. Our Company has redeemed a significant amount and number of NCDs and the total number of

unique NCD holders during each of the financial years across all offers / ISIN are now less than 200, and we cannot assure you about the outcome of this adjudication and/or that there will be no penalty levied on or action taken against our Company in this regard.
2. Our Company has received a notice from SEBI seeking a compliance report in respect of the 'fit and proper' person criteria in terms of the SEBI (Intermediaries) Regulations, 2008 in in connection with a chargesheet dated December 2, 2022, filed by the Economic Offences Wing, Mumbai (EOW) against Pradeep Navratan Gupta, one of our Individual Promoters and our Chairman and Managing Director, in connection with the EOW's investigation into the alleged irregularities at National Spot Exchange Limited. Our Company and Pradeep Navratan Gupta have filed a writ petition which is pending before the High Court of Judicature at Mumbai. Any adverse outcome in the aforesaid proceedings would require Pradeep Navratan Gupta to resign and could also result in our Company being subjected to action by SEBI, which could have a material adverse impact on our business, results of operations and financial condition.

3. SEBI conducted an inspection in January 2025 on our Company’s compliance with the Cyber Security & Cyber Resilience Framework for the period April 2023 to August 2024. Pursuant to this, SEBI issued an observation letter in March 2025 and, subsequently, a show cause notice dated September 15, 2025 alleging various lapses, including delays in reporting incidents, lack of Board approvals for certain policies and processes, gaps in password controls and authentication, inadequate documentation, and deficiencies in data protection and vulnerability assessments. SEBI has sought our response within 14 days of the notice. The matter is currently pending and any adverse outcome may materially impact our reputation, brand, and financial condition.
4. Anand Rathi Commodities Limited (ARCL), our Group Company, along with certain of its directors and our Promoter and Chairman and Managing Director, Pradeep Navratan Gupta, is involved in multiple proceedings including NSEL-related cases and under PMLA, and SEBI has also rejected its application for registration as a commodity derivatives broker; any adverse outcome may materially affect the reputation of the Anand Rathi group and, in turn, our business, financial condition and results of operations.
5. **Revenue Concentration:**
Our Broking and Margin Trading Facility businesses contribute a substantial share of our revenues.

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (in ₹ million)	% of revenue from opera- tions	Revenue (in ₹ million)	% of revenue from opera- tions	Revenue (in ₹ million)	% of revenue from opera- tions
Broking and related services*	5,102.72	60.34%	4,578.12	67.15%	3,172.67	67.82%
Interest on Margin Trading Facility Book	1,142.82	13.51%	759.25	11.14%	542.16	11.59%
Total	6,245.54	73.85%	5,337.37	78.29%	3,714.83	79.41%

*Income from Broking Segment also includes income from delayed payment charges.

Our Brokerage Income also depends on the number of clients, particularly individual investors, and the size of their transactions; any decline in client base or activity may adversely impact our revenues.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
No. of clients catered to in Broking Segment	147,942	127,792	107,848
No. of clients catered to in Margin Funding Business*	13,225	9,480	6,424
No. of clients catered to in Margin Funding Business as a % of total clients in the Broking Segment	8.94%	7.42%	5.96%

* All clients of the Margin Funding Business are also clients of the Broking Segment. The number of clients of the Broking Segment is, therefore, inclusive of clients of the Margin Funding Business.

6. **Dependence on Authorised personnel**

Our Broking and Margin Funding businesses are a significant source of revenues and we also rely on Authorised Persons (1,125 as on March 31, 2025) for client acquisition

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Revenue (in ₹ million)	% of revenue from operat- ions	Revenue (in ₹ million)	% of revenue from operat- ions	Revenue (in ₹ million)	% of revenue from operat- ions
Aggregate revenue from Broking Segment and MTF Business*	6,245.54	73.85%	5,337.37	78.29%	3,714.83	79.41%

Revenue generated from Authorised Persons	2,146.49	25.38%	1,885.05	27.65%	1,385.50	29.62%
Brokerage sharing expense	1,235.37	14.61%	1,220.59	17.90%	906.99	19.39%

*Aggregate of brokerage income, interest on delayed payment charges and interest on Margin Trading Facility Book

7. Our growth is dependent on retaining and expanding our active client base, ARPC, and network of Authorised Persons and relationship managers.

Particulars	As on March 31, 2025	As on March 31, 2024	As on March 31, 2023
Total number of Active Clients*	221,510	175,699	154,470

*Active clients means clients who have generated revenue during the relevant Financial Year.

During Fiscals 2025, 2024 and 2023 our revenues from operations and our ARPC are set out in the table below:

Particulars	Fiscal 2025		Fiscal 2024		Fiscal 2023	
	Amount	(%) of total income	Amount	(%) of total income	Amount	(%) of total income
Revenue from operations (in ₹ million)	8,456.98	99.85%	6,817.88	99.79%	4,678.26	99.81%

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
ARPC (in ₹)	29,347	30,922	26,012

8. Our results, including interest income from margin funding, are exposed to interest rate risk, with borrowings comprising both fixed and floating rates. Our finance costs in Fiscal 2025, Fiscal 2024 and Fiscal 2023, are set out below.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Finance costs (₹ million)	1,467.11	965.40	494.60
Finance costs as a % of revenue from operations	17.35%	14.16%	10.57%

9. Our business is subject to extensive regulation and supervision by SEBI and other statutory authorities. We have faced monetary fines, warning letters, show cause notices, and inspection observations from SEBI for various non-compliances, some of which are pending settlement. We are also required to comply with evolving regulatory changes, and any adverse findings, actions, or changes in law may materially affect our business, operations, and financial condition. Further, our Company, Promoters, Subsidiary, Directors, Key Managerial Personnel, Senior Management, and Group Companies are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows, and results of operations

10. Our weighted average return on Net Worth for past financial years i.e. Fiscal 2025, Fiscal 2024 and Fiscal 2023, based on Restated Consolidated Financial Information is 21.95%.

11. **Market risk:**

The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The determination of the Price Band is based on various factors and assumptions, and has been determined by our Company in consultation with the BRLMs. Furthermore, the Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under “Basis for Issue Price” on page 154 of the RHP and the Issue Price determined by the Book Building Process may not be indicative of the market price for the Equity Shares after the Issue.

The Price to Earnings (P/E) Ratio based on Diluted EPS for Fiscal 2025 for our Company at the upper end i.e., Cap Price of the Price Band is as high as 21.95 as compared to the average industry peer group P/E Ratio of 15.84. The details of ratios based on Fiscal 2025 financials are as follows:

Name of Company	P/E	EPS (₹)		RoNW (%)	ROCE (%)	NAV (per share) (₹)
		Basic	Diluted			
Anand Rathi Share and Stock Brokers Limited	[●]	23.36	22.46	23.12%	21.32%	113.57
Peer Group						
Motilal Oswal Financial Services	20.91	41.83	41.00	25.21%	18.38%	185.73
IIFL Capital Services Limited	13.49	23.06	21.89	33.17%	29.49%	80.98
Geojit Financial Services Limited	11.53	6.18	6.17	15.49%	19.40%	44.57
Angel One Limited	17.42	130.05	126.82	7.78%	21.88%	624.53

For further details and relevant footnotes, please refer to pages 156 to 164 of the RHP.

12. The Weighted Average Cost of acquisition of all Equity Shares transacted in last three years, 18 months and one year preceding the date of the RHP:

Period	Weighted Average Cost of Acquisition (in ₹)*	Cap Price is ‘X’ times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest price – highest price* (in ₹)
Last 3 years	18.20	22.75	0** - 150
Last 18 months	90.08	4.60	5 - 150
Last 1 year	90.08	4.60	5 - 150

*As certified by M/s. R. Kabra & Co. LLP, our Statutory Auditors, pursuant to a certificate dated September 17, 2025.

**This range value is after considering adjustment of bonus and sub-division of face value of Equity Shares.

13. Weighted average cost of acquisition compared to Floor Price and Cap Price:

Types of transactions	Weighted average cost of acquisition	Floor price (i.e. ₹ 393)	Cap price (i.e. ₹ 414)
Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities) (excluding Equity Shares issued under any employee stock option plan/scheme and issuance of bonus shares), during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than five percent of the fully diluted paid -up share capital of our	N.A.	N.A.	N.A.

Company (calculated based on the pre-issue capital before such transaction(s)),in a single transaction or multiple transactions combined together over a span of rolling 30 days			
Weighted average cost of acquisition for last 18 months for secondary sale/ acquisition of shares equity/ convertible securities), where the Shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A.	N.A.	N.A.

Since there were no primary or secondary transactions of Equity Shares of our Company during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last 5 primary or secondary transactions (where the Promoters, Promoter Group, or shareholder(s) having the right to nominate director(s) on our Board were a party to the transaction),not older than 3 years prior to the date of the Red Herring Prospectus irrespective of the size of transactions, is as below:

Based on primary issuance	16.05	24.49 times	25.79 times
Based on secondary transactions	150.00	2.62 times	2.76 times

As certified M/s. R. Kabra & Co. LLP, our Statutory Auditors, pursuant to a certificate dated September 17, 2025.

For further details and relevant footnotes, please refer to page 167 of the RHP

14. The three BRLMs associated with the Issue have handled 44 public issues in the current financial year and preceding two financial years, out of which 13 issues closed below the offer price on the listing date.

Name of BRLM	Total Public Issues	Closed below the Offer Price on Listing Date
Nuvama Wealth Management Limited	23	6
DAM Capital Advisors Limited	14	5
Anand Rathi Advisors Limited*	4	1
Common Issues of BRLMs [#]	3	1
Total	44	13

[#] Issue handled where there are common BRLMs

*In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 23(3) of the SEBI ICDR Regulations, Anand Rathi Advisors Limited will be involved only in marketing of the Issue.

Additional Information for Investors

1. While our Company had proposed to undertake a pre-IPO placement in the Draft Red Herring Prospectus filed by us, no such pre-IPO placement has been undertaken by our Company between the date of the Draft Red Herring Prospectus and the date of the Red Herring Prospectus. Our Company also does not contemplate any issuance of Equity Shares from the date of the Red Herring Prospectus until listing and commencement of trading of the Equity Shares, except for issuance of Equity Shares pursuant to (i) exercise of options granted under the ESOP 2023; and (ii) the Fresh Issue.
2. Our corporate promoter i.e., Anand Rathi Financial Services Limited (“ARFSL”), that (i) on August 29, 2025, ARFSL has transferred 385,000 Equity Shares constituting 0.86% of our paid-up Equity Share capital to certain individuals as detailed below; and (ii) on September 1, 2025, ARFSL has transferred 125,000 Equity Shares constituting 0.28% of our paid-up Equity Share capital to certain individuals as detailed below, (transfers undertaken on August 29, 2025 and September 1, 2025 are hereinafter collectively referred to as, “Transfers”):

Sr. No.	Date of Transfer	Name of the transferor	Nature of relationship of transferor with Company	Name of transferee	Nature of relationship of transferee with Company	Nature of transfer	Number of Equity Shares	Percentage of pre-Issue Equity Share capital (%)	Transfer price per Equity Share (in ₹)	Total consideration (in ₹)
1.	August 29, 2025	Anand Rathi Financial Services Limited	Corporate Promoter	Roop Kishor Bhootra	Whole-time Director	Sale	100,000	0.22%	150.00	15,000,000.00
2.				Jugal Mantri	-		75,000	0.17%	150.00	11,250,000.00
3.				Vishal Jugal Kishore Laddha	Whole-time Director		50,000	0.11%	150.00	7,500,000.00
4.				Sujan Hajra	Employee		50,000	0.11%	150.00	7,500,000.00
5.				Sanjiv Kumar Saraff	-		35,000	0.08%	150.00	5,250,000.00
6.				Varun Shyam Saboo	Member of Senior Management - Head of Equity - Institutional Equity		25,000	0.06%	150.00	3,750,000.00

3. The aggregate pre-Issue and post-Issue shareholding of our Promoters, members of the Promoter Group (other than the Promoters) and additional top 10 Shareholders as at the date of this advertisement and post-Issue shareholding as at allotment, is set below.

S. No.	Pre-Issue shareholding as at the date of the Pre-Issue and Price Band Advertisement			Post-Issue shareholding at Allotment ⁽ⁱ⁾				
	shareholders	Number of Equity Shares ⁽ⁱ⁾	Shareholding (in %) ⁽ⁱ⁾	At the lower end of the price band (₹ 393)		At the upper end of the price band (₹ 414)		
				Number of Equity Shares ⁽ⁱ⁾	Shareholding (in %) ⁽ⁱ⁾	Number of Equity Shares ⁽ⁱ⁾	Shareholding (in %) ⁽ⁱ⁾	
Promoters								
1.	Anand Rathi Financial Services Limited*^	43,845,408	98.06%	43,845,408	68.84%	43,845,408	69.90%	
	Sub-total (A)	43,845,408	98.06%	43,845,408	68.84%	43,845,408	69.90%	
Additional Top 10 Shareholders (other than Promoter)								
1.	Roop Kishor Bhootra	160,000	0.36%	160,000	0.25%	160,000	0.26%	
2.	Jugal Mantri	75,000	0.17%	75,000	0.12%	75,000	0.12%	
3.	Vishal Jugal Kishore Laddha	75,000	0.17%	75,000	0.12%	75,000	0.12%	
4.	Rakesh Rawal	75,000	0.17%	75,000	0.12%	75,000	0.12%	
5.	Sujan Hajra	60,000	0.13%	60,000	0.09%	60,000	0.10%	
6.	Feroze Azeez	50,000	0.11%	50,000	0.08%	50,000	0.08%	
7.	Varun Shyam Saboo	40,000	0.09%	40,000	0.06%	40,000	0.06%	
8.	Sanjiv Kumar Saraff	35,000	0.08%	35,000	0.05%	35,000	0.06%	
9.	Samir Bahl	25,000	0.06%	25,000	0.04%	25,000	0.04%	
10.	Rajesh Bhutara	25,000	0.06%	25,000	0.04%	25,000	0.04%	
	Sub-total (B)	620,000	1.39%	620,000	0.97%	620,000	0.99%	
	Total	44,465,408	99.44%	44,465,408	69.82%	44,465,408	70.89%	

⁽ⁱ⁾ The pre-Issue and post-Issue shareholding shall be updated in the Prospectus. | ⁽ⁱⁱ⁾ Assuming full subscription in the Issue. The post-Issue shareholding details as at Allotment will be based on the actual subscription and the Issue Price and updated in the Prospectus, subject to finalization of the Basis of Allotment.

*Anand Nandkishore Rathi, Pradeep Navratan Gupta, Priti Pradeep Gupta, the Promoters of our Company hold 2 Equity Shares each as nominees of Anand Rathi Financial Services Limited. Krishnav Gupta, a member of our Promoter Group, holds 2 Equity Shares as a nominee of Anand Rathi Financial Services Limited. Roop Kishor Bhootra and Vishal Jugal Kishore Laddha, the public shareholders of our Company, hold 2 Equity Shares each as nominees of Anand Rathi Financial Services Limited. | ^Anand Nandkishore Rathi, Pradeep Navratan Gupta and Priti Pradeep Gupta are directors of Anand Rathi Financial Services Limited.

Note: Promoter Group shareholder is Krishnav Gupta who is a nominee shareholder of Anand Rathi Financial Services Limited.

BASIS FOR THE ISSUE PRICE



The "Basis for Issue Price" on page 154 of the RHP has been updated as above. Please refer to the websites of the BRLMs: www.nuvama.com, damcapital.in and www.anandrathiib.com, respectively for the "Basis for Issue Price" updated for the above.

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares issued in the Issue through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 5 each and the Floor Price is 78.60 times the face value and the Cap Price is 82.80 times the face value. The Cap Price shall be minimum 105% of the Floor Price and shall not exceed 120% of the Floor Price.

Investors should also see 'Risk Factors', 'Our Business', 'Management's Discussion and Analysis of Financial Condition and Results of Operations', 'Restated Consolidated Financial Information' and 'Summary of Financial Information' on pages 35, 213, 343, 284 and 87, 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 Issue Price are:

- The highest ARPC amongst peer set;
- Strategic use of MTF Business to drive higher ARPC;
- Full service brokerage house with diversified revenue streams;
- Pan India presence combined with robust digital capabilities for client acquisition and servicing;
- Established brand with more than a 3 decade legacy backed by experienced Promoters and a strong management team; and
- Strong track record of financial performance and consistent growth.

For further details, see 'Our Business - Competitive Strengths' on page 215 of the RHP.

Quantitative Factors

Some of the information presented below relating to our Company is based on the Restated Consolidated Financial Information prepared in accordance with the SEBI ICDR Regulations. For details, see 'Restated Consolidated Financial Information' on page 284 of the RHP.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings Per Share (EPS)

As per our Restated Consolidated Financial Information:

Particulars	Basic EPS (₹)	Diluted EPS (₹)	Weight
Financial Year ended March 31, 2023	9.36	9.36	1
Financial Year ended March 31, 2024	19.03	18.20	2
Financial Year ended March 31, 2025	23.36	22.46	3
Weighted Average	19.58	18.86	

Notes:

- 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.
- Basic earnings per equity share = net profit after tax attributable to owners of our Company, as restated / weighted average no. of Equity Shares outstanding during the year.
- Diluted earnings per equity share = net profit after tax attributable to owners of our Company, as restated / weighted average no. of potential Equity Shares outstanding during the year / period, as adjusted to reflect the effect of all potential dilutive Equity Shares.
- EPS calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.
- The figures disclosed above are based on the 'Restated Consolidated Financial Information' of our Company.

2. Price to Earning Ratio (P/E) in relation to Issue Price of ₹ [●] per Equity Share:

Particulars	P/E at lower end of the Price Band	P/E at higher end of the Price Band	P/E at Issue Price (no. of times)
Basic EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2025	20.07	21.14	[●]
Diluted EPS as per the Restated Consolidated Financial Information for the financial year ended March 31, 2025	20.84	21.95	[●]

3. Industry P/E ratio (P/E Ratio)*

Particulars	P/E Ratio
Highest	20.91
Lowest	11.53
Average	15.84

Notes:

- The industry high and low has been considered from the industry peers defined in point no. 5 in the chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed.
- P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 29, 2025 divided by the diluted earnings per share.
- All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the relevant companies for Fiscal 2025, as available on the websites of the stock exchanges.

4. Return on Net Worth (RoNW):

As per our Restated Consolidated Financial Information:

Particulars	RoNW* (%)	Weight
Financial Year ended March 31, 2023	15.32%	1
Financial Year ended March 31, 2024	23.50%	2
Financial Year ended March 31, 2025	23.12%	3
Weighted Average	21.95%	

Notes:

- Weighted average = aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x weight) for each year/total of weights.
- RoNW (%) = Net Profit after tax attributable to owners of the Company, as restated / Restated Average net worth at the end of the year.
- 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2023, 2024 and 2025 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

5. Net Asset Value (NAV) per Equity Share of face value of ₹ 5 each

- As on March 31, 2025 as per the Restated Consolidated Financial Information: ₹ 113.57 per Equity Share.
- After the Issue as per Restated Consolidated Financial Information:

i. At the Floor Price:	₹ 196.07
ii. At the Cap Price:	₹ 199.08
iii. At the Issue Price:	₹ [●]

Note: net asset value per share (NAV) is computed as net worth as per the Restated Consolidated Financial Information / Number of Equity Shares outstanding as at the end of year. 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2023, 2024 and 2025 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

6. Comparison of accounting ratios with listed industry peers

Name of Company**	Face Value (₹ Per Share)	Closing price on August 29, 2025 (₹ Per Share)	Revenue for Fiscal 2025 (in ₹ million)	EPS (₹)		NAV (₹ Per Share)	P/E	RONW (%)
				Basic	Diluted			
Anand Rathi Share and Stock Brokers Limited	5.00	NA	8,470.04	23.36	22.46	113.57	[●]	23.12%
Peer Group								
Motilal Oswal Financial Services	1.00	857.35	84,172.20	41.83	41.00	185.73	20.91	25.21%
IIFL Capital Services Limited	2.00	295.35	25,674.31	23.06	21.89	80.98	13.49	33.17%
Geojit Financial Services Limited	1.00	71.11	7,493.22	6.18	6.17	44.57	11.53	15.49%
Angel One Limited	10.00	2,209.00	52,476.69	130.05	126.82	624.53	17.42	7.78%

To be included in respect of the Company in the Prospectus based on the Issue Price

** Financial information of our Company has been derived from the Restated Consolidated Financial Information.

Sources for listed peers information included above:

- All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2025 available on the website of the stock exchanges or the Company.
- P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on NSE Limited (NSE) as on August 29, 2025 divided by the diluted earnings per share for the year ended March 31, 2025.
- Return on Net Worth (%) is ratio of profit after tax for the relevant period to average total equity for the relevant period.
- Net asset value per equity share (book value per equity share) is calculated by dividing total equity of the company as of the last day of the relevant period by the total number of issued and subscribed equity shares outstanding as of the last day of the relevant period.
- Weighted average cost of acquisition (WACA), Floor Price and Cap Price

a. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

There are no Equity Shares or convertible securities, excluding issuance of bonus shares, during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue Equity Share capital before such transaction(s) and excluding ESOPs granted pursuant to ESOP 2023 but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (Primary Issuance).

b. The price per share of our Company based on secondary sale/acquisitions of shares (equity/ convertible securities)

There were no secondary sale/ acquisitions of Equity Shares or any convertible securities (Security(ies)), where the Promoters, members of the Promoter Group, or shareholder(s) having the right to nominate director(s) on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue Equity Share

capital before such transaction/s and excluding ESOPs granted pursuant to ESOP 2023 but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (Secondary Transactions).

- Since there are no such transactions to report under a and b, the price per share of the last five primary or secondary transactions (where the Promoters, Promoter Group, or Shareholder(s) having the right to nominate Director(s) on our Board were a party to the transaction), not older than three years prior to the date of the Red Herring Prospectus irrespective of the size of transactions are set out below.

Except as disclosed below, there have been no primary or secondary transactions (secondary transactions where Promoters or members of the Promoter Group, are a party to the transaction), not older than 3 years prior to the date of the Red Herring Prospectus. Our Company does not have any Shareholders having the right to nominate directors on our Board.

(i) Primary transactions

Date of allotment	Name of allottee	No. of equity shares	Nature of allotment and form of Consideration	Transaction as a % of post-Issue capital pursuant to allotment (on a fully diluted basis)	Price per equity share
November 21, 2022	6,720,517 equity shares were allotted to Anand Rathi Financial Services Limited.	6,720,517	Bonus issue of equity shares in the ratio of 1 equity share for 2 equity share held.	[●]	10

Equity Shares of face value of ₹ 10 each of our Company were sub-divided into Equity Shares of face value of ₹ 5 each. Consequently 20,161,550 Equity Shares of face value of ₹ 10 each were sub-divided into 40,323,100 Equity Shares of face value of ₹ 5 each authorised by our Board pursuant to the resolution at its meeting held on May 4, 2023 and Shareholders pursuant to the special resolution at their meeting held on June 20, 2023.

March 5, 2024	4,032,308 equity shares were allotted to Anand Rathi Financial Services Limited.	4,032,308	Rights Issue in the ratio of 1 Equity Share for every 10 Equity Shares held	[●]	124
July 26, 2025	359,150 Equity Shares of face value of ₹ 5 each were allotted to 284 employees of our Company pursuant to ESOP Scheme 2023*	359,150	Allotment pursuant to ESOP Scheme 2023	[●]	5

*For details, see 'Capital Structure – Notes to Capital Structure - Equity Share capital history of our Company' on page 104 of the RHP.

(ii) Secondary transactions

Date of transfer	Nature of transfer	Name of transferor	Name of transferee	No. of equity shares	Nature of consideration	Face value of equity shares	Price per equity share	Transaction as a % of post-Issue capital pursuant to allotment (on a fully diluted basis)
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Roop Kishor Bhootra	100,000	Cash	5	150	[●]
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Jugal Mantri	75,000	Cash	5	150	[●]
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Vishal Jugal Kishore Laddha	50,000	Cash	5	150	[●]
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Sujan Hajra	50,000	Cash	5	150	[●]
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Sanjiv Kumar Saraff	35,000	Cash	5	150	[●]
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Varun Shyam Saboo	25,000	Cash	5	150	[●]
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Samir Bahl	25,000	Cash	5	150	[●]
August 29, 2025	Transfer	Anand Rathi Financial Services Limited	Rajesh Bhutara	25,000	Cash	5	150	[●]
September 1, 2025	Transfer	Anand Rathi Financial Services Limited	Rakesh Rawal	75,000	Cash	5	150	[●]
September 1, 2025	Transfer	Anand Rathi Financial Services Limited	Feroze Azeez	50,000	Cash	5	150	[●]

(iii) Weighted average cost of acquisition/ floor price/ cap price

Types of transactions	Weighted average cost of acquisition ⁽ⁱ⁾	Floor price (i.e. ₹ 393)	Cap price (i.e. ₹ 414)
Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities) (excluding Equity Shares issued under any employee stock option plan/scheme and issuance of bonus shares), during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A. ⁽ⁱⁱ⁾	N.A.	N.A.
Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/ convertible securities), where the Shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s)), in a single transaction or multiple transactions combined together over a span of rolling 30 days	N.A. ⁽ⁱⁱ⁾	N.A.	N.A.

Since there were no primary or secondary transactions of Equity Shares of our Company during the 18 months preceding the date of filing of the Red Herring Prospectus, the information has been disclosed for price per share of our Company based on the last 5 primary or secondary transactions (where the Promoters, Promoter Group, or shareholder(s) having the right to nominate director(s) on our Board were a party to the transaction), not older than 3 years prior to the date of the Red Herring Prospectus irrespective of the size of transactions, is as below:

Based on primary issuance	16.05	24.49 times	25.79 times
Based on secondary transactions	150.00	2.62 times	2.76 times

- As certified M/s. R. Kabra & Co. LLP, our Statutory Auditors, pursuant to a certificate dated September 17, 2025.
- There are no Equity Shares or convertible securities, excluding issuance of bonus shares, during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Issue Equity Share capital before such transaction(s) and excluding ESOPs granted pursuant to ESOP 2023 but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.
- There were no secondary sale / acquisition of shares equity/convertible securities), where Promoters or Promoter Group are a party to the transaction (excluding gifts), during the 18 months preceding the date of the Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up Equity Share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days. Our Company does not have any Shareholders having the right to nominate directors on our Board.

8. Justification for Basis for the Issue Price

Detailed explanation for Cap Price being 25.79 times of WACA of primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's Key Performance Indicators and financial ratios for Fiscals 2025, 2024 and 2023 and in view of the external factors which may have influenced the pricing of the issue, if any.

- We are an established full-service brokerage house in India with over 30 years of experience.
- We provide broking services, margin trading facility and distribution of financial products under the brand 'Anand Rathi' to a diverse set of clients across retail, high net worth individuals, ultra-high net worth individuals and institutions. Our 3 decades of track record, comprehensive product offerings, and focus on serving this key demographic, positions us for continued growth.
- While our client base is spread across various age demographics, 186,859 of our Active Clients, representing 84.36% of our Active Clients, were above 30 years of age as on March 31, 2025.
- As per CARE Report, during Fiscal 2025, we had the highest average revenue per client (i.e., broking revenue over NSE Active Clients for the period) (ARPC) amongst peer set.
- Strategic use of MTF Business to drive higher ARPC-clients utilizing margin trading facility have generated substantially higher average revenue per client than clients who are not using MTF;
- Our revenue from operations primarily comprises of broking and related services (Broking Segment) and non-broking services (i.e. margin trading facility and distribution of investment products) (Non-Broking Segment).
- As of March 31, 2025, we offer our broking and other financial services through our (i) network of 90 branches spread across 54 cities in India; (ii) network of 1,125 Authorised Persons (i.e., agents appointed by us after approval from the relevant stock exchange) spread across 290 cities in India; and (iii) online and digital platforms
- We are supported by a strong Board who have a significant experience in their respective domains.
- We are also supported by a strong team of experienced and qualified key management personnel and senior management and a capable and motivated pool of employees.
- We have demonstrated consistent growth in our financial performance. Between Fiscal 2023 to Fiscal 2025, our profit after tax grew from ₹ 377.45 million to ₹ 1,036.06 million at a CAGR of 65.68%.

9. The Issue Price will be [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above information along with 'Risk Factors', 'Our Business', 'Restated Consolidated Financial Information' and 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' on pages 35, 211, 282, and 341. The trading price of the Equity Shares could decline due to the factors mentioned in 'Risk Factors' or any other factors that may arise in the future and you may lose all or part of your investments.

AN INDICATIVE TIMETABLE IN RESPECT OF THE ISSUE IS SET OUT BELOW:

Submission of Bids (other than Bids from Anchor Investors):		Modification/ revision/cancellation of Bids	
Bid/ Issue Period (except the Bid/ Issue Closing Date)		Upward revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Issue Closing Date
Submission and revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST	Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. on Bid/Issue Opening Date and up to 5.00 p.m. IST on Bid/Issue Closing Date
Bid/ Issue Closing Date*		*UPI mandate end time and date shall be at 5:00 pm on Bid/ Issue Closing Date. # QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.	
Submission of electronic applications (Online ASBA through 3-in-1 accounts) - For Retail Individual Bidders	Only between 10.00 a.m. and up to 5.00 p.m. IST	Bid / Issue Period:	
Submission of electronic applications (Bank ASBA through Online channels like internet banking, mobile banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹ 0.50 million)	Only between 10.00 a.m. and up to 4.00 p.m. IST	Event	
		Indicative Date	
		Thursday, September 25, 2025	
Submission of electronic applications (Syndicate non-retail, non-individual applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST	Finalisation of Basis of Allotment with the Designated Stock Exchange	
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST	Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	
Submission of physical applications (Syndicate non-retail, non-individual applications where Bid Amount is more than ₹0.50 million)	Only between 10.00 a.m. and up to 12.00 p.m. IST	Credit of Equity Shares to demat accounts of Allottees	
		On or about Monday, September 29, 2025	
		Commencement of trading of the Equity Shares on the Stock Exchanges	
		On or about Tuesday, September 30, 2025	

