

ANANDRATHI

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Anand Rathi Wealth Limited
Q1FY26 Earnings Conference Call
July 11, 2025

MANAGEMENT:

- MR. FEROZE AZEEZ – JOINT CHIEF EXECUTIVE OFFICER
- MR. JUGAL MANTRI – GROUP CHIEF FINANCIAL OFFICER
- MR. CHETHAN SHENOY – HEAD, PRODUCT AND RESEARCH
- MR. RAJESH BHUTARA – CHIEF FINANCIAL OFFICER
- MR. VISHAL SANGHAVI – HEAD, INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day, and welcome to Anand Rathi Wealth Limited Earnings Conference Call for Quarter One of Financial Year 2025-26.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*", then "0" on your touchtone phone. Please note, that this call is being recorded.

I now hand the conference over to Mr. Feroze Azeez – Joint Chief Executive Officer from Anand Rathi Wealth Limited. Thank you, and over to you, Mr. Feroze.

Feroze Azeez: Thank you so much, Zico. Good afternoon, everyone for joining the quarter ended 30th June, 2025.

We today have with us the Group CFO – Mr. Jugal Mantri, the Product and Research Head – Mr. Chethan Shenoy, CFO – Mr. Rajesh Bhutara; and Head (Investor Relation) – Mr. Vishal Sanghavi.

Let me give you a quick highlight of the Company's performance:

During Q1 FY '26, our profits grew by 28% year-on-year, and they have reached about Rs. 93.9 crores. The total AUM grew by about 27%, which takes us to Rs. 87,797 crores as of 30th June and the equity mutual fund share has moved up to 54% as of June 2025 and we are about 14% away from the Rs. 1 lakh crores on total AUM number.

This will help us get to the subtle ambition which we have shared in our previous calls of getting to 50-50, 50 trail income, we are inching closer to that with this quarter. And this, the next important highlight is that we have had a record net mobilization of Rs. 3,825 crores. Like we have also given a subtle expectation or a not a commitment indication that we will try and have our net mobilization agnostic to the market sentiment in a quarter where mutual fund net flows in equity, moved down from (Inaudible – peak of around Rs 42,000 crores in Oct 2024) to about Rs. 23,000 crores in June, we have, with God's grace, achieved the highest ever net mobilization of Rs. 3,825 crores, as I just said.

In our flagship Private Wealth business for Q1 FY'26, we added around 600 new client families on a net basis, bringing our total number of client families which we serve as 12,330. The client attrition rate, which is additional number continues to be that way. And for Quarter One FY26 is 0.11%, underscoring the strength of our client centric uncomplicated approach focusing on risk adjusted return not only either side of the table.

The Regret RM attrition was 2 for this quarter and in spite of that, we have had a client attrition number of 0.11%. And when we are looking at RM attrition, we are also looking at some places where there is cultural misfits and these are mathematically regret attritions, but there are more considerations when we let go of a few of colleagues.

Digital Wealth business, which is a B2B2C business, registered an AUM growth of 19% year-on-year and reached Rs. 2,055 crores. The number of clients increased to 23% to Rs. 6,284. The OFA business which is a SaaS platform has 6,627 subscribers with platform assets about Rs. 1.58 lakh crores at the end of Q1 FY '26.

Now I hand over the call to Mr. Jugal Mantri, who will take us with some more updates. Jugal sir, over to you, sir.

Jugal Mantri:

Yes. Good afternoon, everyone. Thank you, Feroze bhai.

Friends, let me give you the financial highlights on consolidated numbers for the quarter went by:

During the June quarter of Financial Year 2025-26, our consolidated total revenue grew by 16% Y-o-Y to Rs. 284.3 crores and profit after tax increased by 28% Y-o-Y to Rs. 93.9 crores. We have achieved 25% of our PAT guidance of Rs. 375 crores and 24% of our revenue guidance of Rs. 1,175 crores in Q1 FY'26.

Mutual Fund distribution revenue registered strong growth of 27% Y-o-Y to Rs. 113.1 crores in Q1 FY'26. Profit after tax margin was 33% for Q1 FY '26 as compared to 29.9% for Q1 FY '25. Return on equity for Q1 FY'26 was 44.4% on annualized basis. So, these were the synopsis of the financial.

Now I would request Mr. Zico to invite our friends for a Q&A Session.

Moderator:

Thank you, sir. We will now begin the question-and-answer session. Thank you. Our first question comes from the line of Niranjana Kumar from Equirus. Please go ahead.

Niranjana Kumar:

Sir, first of all, congratulations on good set of results. So, can you please provide data on inflows during the quarter and mutual funds and structured products as well?

Feroze Azeez:

Sure, Jugal sir, can you throw some light on these breakups of the numbers? You are asking for the top line numbers, right?

Niranjana Kumar:

I am asking about the inflows sir, net inflows.

Feroze Azeez:

Net inflows, okay. So, the net inflows between these two were about Rs. 3,400 crores - Rs. 3,300 crores, Jugal sir, if you can give some precise numbers, it would be helpful.

Jugal Mantri:

So, the net inflow was Rs. 3,825 crores, on equity mutual funds was Rs. 1,983 crores. Debt mutual fund it was Rs. 300 crores and on structure product it was Rs. 1063 crores and rest was in other item that was Rs. 480 crores.

Niranjana Kumar:

Okay, sir. Thank you. That's from my side.

Moderator: Thank you. Our next question comes from the line of Aashaka Shah from Sameeksha Capital. Please go ahead.

Aashaka Shah: I had the same question. I am sorry, it is the same question as the previous one.

Moderator: Thank you, ma'am. We will move to the next question here. The next question comes from the line of Muskan Agarwal from Swan Investments. Please go ahead.

Bhavesh: Hi, this is Bhavesh here. The question I have in mind was related to OPEX growth. Historically, OPEX growth has been largely in simple, revenue growth. But this time down the divergences is quite significant. So, besides the human related, human resources related that you mentioned, is there any change in incentive structure or other cost cutting we might have resorted to, which is leading to this divergence between revenue growth and OPEX growth?

Feroze Azeez: Superb, let me answer. Yes, go ahead Jugal.

Jugal Mantri: See, as far as concerned in case of OPEX, it is more or less in line with what we have been achieving and what we have been incurring over the period of time, the only thing is now we have really started getting the advantage of number of RMs who have been maturing. So, if you will see that over a period of time like we have added number of RMs and what happens that when RM start his journey, we have our, first of all, all the incentive formula since 2007 there has been no change.

The only advantage is the new RM, when he comes till the time he reaches to the threshold of up to say about 4x of his RSR, he does not start earning incentive. So, the number of new RMs which have been added into the system in the last 1.5 year, 2 years they have started reaching to the threshold and started crossing 2 and 3 RSR level. So, the advantage is, they have started contributing on the revenue side and their fixed cost of salary is coming into the operating cost. But they have not yet reached to the incentive level, that is about the new RMs. And that is why you see the employee cost in percentage terms, it looks marginally lower, but it is in line with what we have been achieving historically.

Bhavesh: Okay. Related question sir was on the number of RMs added. So, practically for last three quarters the number is flat. What is the thought process here and if you plan to again resume expanding our RM base?

Feroze Azeez: So, firstly, I think it is last three quarters have been flat. We have added about 22 odd RMs in the last one year, point one. Point two, how we look at RM addition is unlike most of the wealth management outfits, who believe in lateral hiring, funding their 80% of their RM growth, we have 80% internal movements. So, what happens is, we have the threshold, which says that these are the number of RMs who can be in the non-matured stage, below Rs. 40 crores. We try and keep a watch of what is the number. When that number drop is, when we promote more people.

So, unlike another wealth management trait, when I do not add my RMs, it does not mean that I have not added. Some more training for the same RMs would be promoted in a subsequent

quarter. So, the question we have is the next 100 RMs are already being trained. So, at what point in time do we promote them, it depends on their skill set and also depends on what is my capacity of (Inaudible). So, will you see this number change? The answer is, yes and what will be the variables which will change it is not how much money can we spend to hire from outside. How many RMs do we have below Rs. 40 crores that number if I am not wrong, dropped from 93 to 54 crores in the quarter, which creates huge capacity for promotions and subsequent RMs who would go in the marketplace. Does it answer?

Bhavesb: Okay, thank you, thank you very much.

Feroze Azeez: Thank you, sir.

Moderator: Our next question comes from the line of Rohan Mandora with Equirus Securities. Please go ahead.

Rohan Mandora: Hi, good afternoon, sir. Congrats on good set of numbers. Sir, just continuing on the previous participant's question on OPEX. Sir, the extension that was given that in the last two years, whatever RMs have been added, they are yet to reach that, they are just touching their breakeven level and so the operating efficiency is looking better. And if I look at employee expense as a proportion of total revenues that was around 45% for most part of last year. And suddenly, in this quarter that has come down significantly.

So, is there a differential in the incentive that is paid out on the mutual fund versus Structured Products (we have corrected the terminology to Structured Products where MLD word is used)? Because revenue growth in mutual fund has been almost 27% year-on-year and 10%, sequentially. And on Structure Products, it is 36% Q-on-Q growth. So, is there a factor of that leading to a lower growth in employee expense this quarter vis-à-vis the revenue?

Feroze Azeez: No, no, Rohan, it is not so complex. We do not pay incentive. We pay bonuses only once a year.

Rohan Mandora: Okay.

Feroze Azeez: Okay. Last time, it was 17.1% for the first quarter, 17.1% for the full year. This time, it is 16.9%. Quarter-to-quarter comparisons may not be right because it depends on who brought the revenue. For example, if this revenue is distributed amongst 382 RMs, evenly, my cost is lower. If the RM who has already reached a slab of 32.5%, which is my maximum slab, if he or she does the maximum revenue, my shares could be larger than a linear -- So, it is not just about the revenue. It is also about which RM did and it was in which slab. So, if there is an RM who crosses a certain slab and that is the person who brought 80% hypothetically of the quarter's revenue, then they also look larger.

But it is not a quarterly number. If you look at it yearly, you will see hardly any difference and other point which you asked, is there a payout differential between upfront hand pay, the answer is, no. Every rupee of revenue is treated equal for the last few years.

- Rohan Mandora:** Sure, sure. So, does that mean that most of the, that the share of incremental business, incremental revenue from RMs having lower AUM was higher this quarter. That is where the benefit of working.
- Feroze Azeez:** So, yes. So, what happens is we provision as per the slabs on their targets also. So, it is also a function of, one, what they have done so far, what is the target they have given, and then you have a provision on a certain slab. So, the answer is, yes, last time around, if there are big ticket revenues from large top 50 RMs would cost me more.
- Rohan Mandora:** Sure. Got it.
- Jugal Mantri:** Just to add to what Feroze bhai has said, Rohan, what happens that if you just do the breakup of what the employee expenses which we have incurred. In the Q1 FY '25, my fixed cost on account of personnel was Rs. 60 crores, okay, This year that has gone up to Rs. 70 crores, but the incentive provision, which was Rs. 48 crores in Q1 FY '25 that has come down to Rs. 44 crores, okay. So, there is an increasing trend in, on the fixed expenses side. But he has rightly explained that, who is bringing the revenue and what percentage of amount he is earning as incentive, that depends on person to person and on his vintage as well as on existing book. So, that is why there is a differential on incentive provision.
- Rohan Mandora:** Sure. Sir, second was on the Regret RMs, the two RMs who left this quarter and one I think was a regret RM last quarter. So, what was the reason for them leaving? Because typically, you had a very good incentive structure and you had a very low regret RM. So, any specific reasons that you could point out for people leaving?
- Feroze Azeez:** Yes. Of course, one of two of them were cultural misfits. So, we had to weed one or two of them and one of two were voluntary exits. And the reason could be whatever different for different people. But largely, I do not want to touch too much on a public forum, but yes, it could be a cultural misfit which triggers that, and it is for one location, all three.
- Jugal Mantri:** But it hardly matters Rohan, out of 380 plus RMs, if one or two RM is leaving, that is inevitable.
- Rohan Mandora:** Right. That I agree, sir. But just that Anand Rathi was having another good incentive structure, so.
- Jugal Mantri:** That still remains. If 99.9% people are still continuing, that shows that.
- Rohan Mandora:** Right.
- Feroze Azeez:** So, Rohan and we also realized some degree of inefficiencies will have to be weeded out.
- Rohan Mandora:** Sure. Sure.
- Feroze Azeez:** In the future as well. So, that is a strategy which we try and learn. So, we are not always fixing it. One of you analyst only had asked me saying that, how come zero attrition? Are you saying

everybody is as efficient commercially? So, there is no involuntary attrition where you are asking people to leave. So, we have been testing several hypotheses. Now point is that you had some attrition, some instigated internally or some not. But we are also trying to see if there are some inefficiencies. Will we look at it a little differently? The answer is yes, going forward. I will tell you how we discuss internally between Rakesh sir and I.

Rohan Mandora: Got it sir. Sir, third was on the net Debt MF AUM. It has increased by 9% Q-on-Q and it was declining for the past few quarters. So, is there any portfolio allocation strategy change is leading to that?

Feroze Azeez: I will tell you precisely the reason. There are a couple of clients who had, the large clients who were doing STPs.

Rohan Mandora: Okay.

Feroze Azeez: Those are not permanent liquid money. So, you are saying, if your question I heard right, was that debt allocation has become larger. Is that what the question was?

Rohan Mandora: Yes, yes, yes.

Feroze Azeez: Some large clients have started first, whoever come in money after March are choosing to do it as a staggered equity. So, it is, it is momentary debt.

Rohan Mandora: Got it. Got it. And then lastly, yes, sorry...

Feroze Azeez: Don't hold me to the second decimal, largely I am saying. 83-80% of that is staggered entry into equity. Due to some degree of uncertainty in the market, 12-15 weeks installment..

Rohan Mandora: Got it. And sir lastly, on the issuances of Structure Products, last couple of years, if you look at the trend Q1 has been pretty high and then it has been sort of flattish to marginal decline. But if we look at it on a year-on-year basis, so Q-on-Q, it looks very good. But on a year-on-year basis, the revenues on Structure Products has grown by 8%. So, is there some constraints because of which the growth is falling here? Or like how should one look at the growth on the Structure Products for the full year and going ahead for the next one, two years?

Feroze Azeez: Rohan, again, like I have repeated in the past, every revenue item which you read out to me back again, is a resultant outcome of client allocations. We think it will start with the client, it will start with allocation, what are the highest chance of achieving those objectives. Now let us assume, if the market remains flat for one year. The structured product still because of its modest need of NIFTY growth will deliver a little positive return. So, sometimes what happens is if equity markets do not do too well, like they did, only 4%-5% NIFTY over the last 1 year in the last financial year, monies which mature from structured products would buy equity mutual funds.

Equities do very well. Let us assume I have a client. I also manage clients, right? So, one client is there, if there is a structured product maturity, if equity mutual funds have not delivered 14% for the last year and structures have delivered 15% for the last year, when the maturity happens, I am not going to reinvest full thing into structured products. I will again divide the portfolio into 65% - 35%, which was the agreed allocation. So, if markets do badly, you will have some money moving to mutual funds. So, buy low, sell high is just in books otherwise. In books it is said buy in low, sell in high. Otherwise, most HNIs does the opposite. Like, you will see when the market is down, people are not putting in lump sum money. So, to remove that recency bias is why Feroze is governed by a formula, agreed on 65 - 35 then he has to do just that. And if that is what he follows religiously, it will mean that he will buy more equity when the markets are down, when the markets are up, he will be buying more structured products.

Rohan Mandora: Got it, got it. And then lastly, one data keeping question. What is the breakup of structured product issuances between primary and secondary in Q1?

Feroze Azeez: Yes. Jugal sir, will be able to answer this. Jugal bhai?

Jugal Mantri: 1,700 crores for primary and 700 crores for secondary. 750 crores to be precise, okay?

Rohan Mandora: Sure, sir. Thank you.

Feroze Azeez: Thank you for your question.

Moderator: Thank you, sir. Our next question comes from the line of Jaiprakash from Korman Capital. Please go ahead.

Jaiprakash: My question on (Inaudible) Sir, my question was on the (Inaudible) which was 16% whereas AUM growth was 57% so just wanted to understand the....

Feroze Azeez: I did not get your question at all, sorry.

Moderator: Sir, may we request you to use your handset, please, Mr. Jaiprakash.

Jaiprakash: Am I audible?

Moderator: No, sir. We are unable to hear you clearly, sir.

Jaiprakash: Okay, I will join back.

Jaiprakash: Yes, sir. Please, thank you. Our next question comes from the line of Sunil Shah from SRE PMS. Please go ahead.

Sunil Shah: Yes. Thanks Feroze and the entire team for a wonderful achievement. Thanks for this actually. First of all, let me thank Vishal and Kalpesh for the sessions that we had for all of us to make us

understand the structured products. Thanks so much Feroze for organizing and Vishal for conducting along with Kalpesh, the entire sessions. Thank you so much.

So, my question is about this entire thing happening in the markets about the Jane Street episode and SEBI really trying to clamp down on the F&O volumes. So, given that the structured products for us which we act on, does this in any way impact us for the volumes that could get shrink going forward? That is my first question.

Feroze Azeez:

Yes. Okay, you want me to first answer this? Perfect. Sunil sir, thank you for the feedback last time around. Very grateful for that feedback, because we always wanted to explain structured product as straight there. Of course, Kalpesh has done only three sessions. If the group of analysts want another 100 sessions, we are more than happy. Because if that produces more issuers, it is a great marketplace. So, thank you for that suggestion. And I think that was the best suggestion we got last quarter in the result.

Now coming to, of course, the Jane Street and the regulation in terms of option volumes. I think for the next Rs. 1.5 lakh - Rs. 2 lakh crores of our next AUM, we do not see any challenge with the current market. Of course, on one index what Jane Street hypothetically at least in the note did was made cash market losses to make, built put option positions or call option positions on expiry day and trigger stop losses to the rest of them. So, any large position on specific index could be something which somebody can do exactly what Jane Street did.

So, will we look at more diversification in terms of NIFTY, Sensex? The answer is, Yes. So, will it impact our next Rs. 1 lakh - Rs. 1.5 lakh - Rs. 2 lakh crores of AUM? The answer is, No, Sunil Ji. I do not want to give all the plans. There are about four step plan, Plan A, Plan B, Plan C and Plan D. I will probably, we can do another session where I will elaborate.

Sunil Shah:

Okay.

Feroze Azeez:

Sunil, sir, can I add one more thing? The one thing which I am amazed as a professional is the kind of intellect SEBI has used to move our options market from notional contract volumes to delta volumes. It is one of the most right thing to do, because the Re. 1 option had the same notional value and at-the money option almost have the same notional value, which was creating those Rs. 500 crores of short limits, I have spoken about in the previous earnings calls were getting breached with just 2 lakh options, put options, 2 lakh premium.

So, now they have moved from notional volumes to delta volumes, point one. Point two, I think also creating several pieces of what you call that, impediments for any trader have been done beautifully. And I think that is one change. There are very few markets who operate limits with delta against notional.

Sunil Shah:

Okay. Fine. So, that helps us to understand, at least on the fear part that we need not worry at least for another Rs. 1.5 lakh crores of the AUM that we reach. Yes. Sir, one more point which I had, more of a question type of thing would we, currently, if I understand the net inflow for us

has been close to Rs. 3,825 crores and our RM base is 382. That exactly comes to about Rs. 10 crores of incremental AUM per RM per quarter kind of a number?

Feroze Azeez:

Correct.

Sunil Shah:

Sir, so for going forward, can we get that per capita because as a country, we might be the fourth in terms of GDP. What really matters is the per capita. Similarly, for us, the incremental contribution per RM per quarter would be perhaps one of the numbers to really keep a watch on given that market could grow 10% plus/minus and the AUM could change accordingly. But the real strength is in terms of the per capita contribution per RM per quarter. So, some such metrics if it can be shared.

And one more point can be, if we can further get into the details of equity and structured product breakup as well. So, because that is going to be the base where we will get a higher percentage of income. So, if we can get one such number, if it is possible for you to share going forward, I think that will be more useful for all of us, if at all it is possible.

Feroze Azeez:

Correct. Of course, sure, Sunil. It is a very - very valid suggestion. One thing which is a little different than the rest of the wealth management assets is because they do lateral hires largely and internal promotion is a smaller proportion. What ends up happening is there are very similar kinds of private bankers. We have a mid-banker who is basically 26 and he has become a private banker after four years of training after his MBA. And I have somebody who has got almost 25 years of experience out of which 18 are in Anand Rathie. So, I am just telling you there is a lot of differentials between my youngest RM and the most mature RM. I can divide it, but I think dividing them would also be a little more sensible. I think we will work on these numbers for sure. We will divide it into secured RMs, 5 years plus RMs, and stuff like that. So, we started with, Yes, it's a good suggestion. 5 years plus, 3 years plus> we stratify our RMs into three categories, sir, less than 3, 3 to 5 and 5 plus. So, Sunil sir, looking forward, what is the per capita per RM net mobilization in these three strata, we can probably give that orders. Strategy for us and information for you.

Sunil Shah:

Yes. Yes. And sir, it is competition sensitive, so I just leave it for you to take that call. That is just my suggestion.

Feroze Azeez:

Okay. Superb. I think the piece of information we are reasonably transparent and I think we should be okay. We will just look at it internally and publish it to you and in the next call or before that.

Moderator:

The next question comes from the line of Saiyam Sondhi with Desvelado Advisory. Please go ahead.

Saiyam Sondhi:

Congratulations for your quality stats for FY'26. Sir, my question is what is the latest update on the GIFT City subsidiary and International expansion of U.K. and Bahrain office?

Feroze Azeez:

Sorry, can you go again?

- Saiyam Sondhi:** Sir, the question is what is the latest update on the GIFT City subsidiary and international expansion of U.K. and Bahrain office?
- Feroze Azeez:** U.K. and Bahrain office, yes. So one is an update. But I will tell you what we look at international business that you look at Dubai currently, which we have for almost 10 years. We just finished 10 years of business in Dubai and we think the interest of NRIs in India will grow dramatically. And I think the kind of flexibility GIFT City also has to offer, the tax efficiency it has to offer. I think one of them in the couple of calls back had (Inaudible) international office...
- Moderator:** Sir, sorry to interrupt you. Mr. Saiyam, sir, your audio is breaking. Maybe request you to use your handset in case you are using any Bluetooth device?
- Saiyam Sondhi:** Sir, actually I am not able to hear the voice of Feroze sir. Should I repeat my question or the question is clear?
- Feroze Azeez:** On the Bahrain and the U.K. office, right?
- Saiyam Sondhi:** Yes, yes.
- Feroze Azeez:** So, they are in the very nascent stage of getting licenses currently. Point two, I think as soon as you start a business, it is not going to be a huge contributor. But what is our vision for international NRIs or investing in India. We can see a large opportunity, given the interest levels of NRIs, which will, which happen in India, we want to make sure that we have our offices in place and the strategy in place.
- Point three, SEBI has been creating several platforms, which make it very easy sort of a pooled investment, okay, especially from international. In the GIFT City and the AIFs and other businesses, which can channelize money into India are developing beautifully. So, we have just got licenses, or we are in the process of getting licenses. But I think the long-term vision is, we believe that there will be a lot of money from NRIs flowing into India for the next decade, and we want to capitalize on that and not just with one office. But once we finish 10 years in a specific business then that is when we try to build our business brick by brick. We just finished 10 years in Dubai.
- After having seen an office and profitability and the pros and cons in the international products, now we were confident to have other locations. That is why you see Bahrain and U.K. We are a wealth manager, which tries to build it brick-by-brick. And so we are reasonably bullish on international money coming to India and getting the pie of it. Does this answer, sir?
- Saiyam Sondhi:** Okay. Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Muskan Agarwal from Swan Investments. Please go ahead.

Muskan Agarwal: So, the guidance that you guys have released regarding the revenue, PAT, and AUM. So, when we see like you guys are pretty much there when it comes to AUM, but there is a lag in the revenue and PAT numbers. So, there are three questions. First, if you can help me understand the difference and if you guys are like expecting to revise the AUM guidance?

Feroze Azeez: Muskan, we have met our revenue numbers for a year unlike 25%, like you rightly pointed out, we have met 24.17%. And the PAT number is almost 25% that is point one. Point two, do I see any change in the guidance? The answer is a big no, because we will be able to achieve those numbers is how we have always under committed, overdelivered. And you will also be very happy to note Muskan that out of the NSE Small Cap 250 companies, which we are a part of, our primary analysis says that there is only one Company which has given PAT guidance and also met it for 3 successive years, which is Anand Rathi Wealth Limited. Quite a few do not give a PAT guidance, very few give a PAT guidance. Out of those who gave a PAT guidance for three years and met it, it is only one Company. And with that, I am just giving you a little assurance and some hope that we will meet our guidance this time as well, with the Grace of God, of course.

Muskan Agarwal: So, means any explanation regarding why, like there is a gap like considerable gap between the AUM and the PAT revenue figures because it is just 24% and 25% but the AUM targets like you have achieved 88%.

Feroze Azeez: Yes. See AUM is like a photograph and revenue is like a movie. AUM depends on where markets ended on 30th June. Revenue is an outcome of every day's action and every day's revenue. 30th June, if the market fell 3% hypothetically, would my, there would my AUM be Rs. 88,000 crores, approximately? The answer is, no. It would have been Rs. 86,000 crores. So, when you look at AUM as an average then there will be sanctity with the revenue. So, what has happened is you have added Rs. 3,800 crores. And in the first quarter, NIFTY has given about 7%, 8% return. And our model portfolio of mutual funds has out beaten that by 2.47% as of day before yesterday.

So, AUM, that is why we are not revising the Rs. 1 lakh number because on 31st March what Nifty will happen, I do not know. So, what happens is there is something which is an internal controlled variable, which is how much I can bring from clients wallet to my assets. That is what we focus on then when we pray to the lord. Because then market movement and intern clients return will, and it is not one day, it is 30th June is the AUM number, right. So, if I give you the average numbers, then you would understand. Does it answer, madam?

Jugal Mantri: Yes, Feroze Bhai, I would like to add. Muskan, if you look at it, like last year, we were at a number of Rs. 79,000 crores, okay, I am just rounding off for the purpose of understanding. And we have given a guidance to have the AUM of Rs. 1 lakh crores by end of the Financial Year '25 - '26, correct? So, what I need to add is Rs. 21,000 crores in 12 months time.

Now in three months' time from Rs. 79,000 crores we have reached at about Rs. 88,000 crores. So, how much have we crossed? We have achieved almost Rs. 8,800 crores which is 40% of the AUM addition target in 3 months only. So, in fact, this is the only area we have, by and large

with a very wide margin, we have beaten the target number which we have given. So, I do not know why this question has come that we should revisit this number.

Feroze Azeez: No.

Muskan Agarwal: No, I meant like upward revision?

Feroze Azeez: Yes.

Jugal Mantri: Okay, okay. No, we are happy to be committed at the level which has been given.

Muskan Agarwal: Okay, sir. Thank you.

Moderator: Thank you. Our next question comes from the line of Kamlesh Gupta, who is an investor. Please go ahead.

Kamlesh Gupta: Thank you for giving me an opportunity, sir and congratulations to the team, the numbers are excellent. I have two questions. Various time has management has reiterated that the guidance of revenue will be 25% to 30% back. But last two quarters, it has come down to near about 25%. And the second question is, please, throw light on the same. And the second question is from the last buyback, stock has given negative or negligible return. Could you be considering anything, any corporate action for this?

Feroze Azeez: Yes. One is, see when we say we have always given you 20 to 25% PAT guidance long term 10 years, 15 years. Our professional guru, Mr. Rakesh Rawal, who is also the CEO of the Company, has always said, 20 to 25% PAT growth for years to come. That might also imply 20 to 25% revenue that us not on a quarter basis that is on a year-on-year basis. That is our aspiration. Because we are in the business of managing one's money if there are some maturities, we will not do anything sooner or later and its client monies which we manage. So, when we give you a revenue guidance of Rs. 1,175 crores, that is the number you have to look at from Rs. 980 crores to Rs. 1,175 crores.

Jugal Mantri: And that is about 20%.

Feroze Azeez: Growth. Like Arjun we look into the fish's eye, sir of course one or two quarters, we don't look at it.

Kamlesh Gupta: Okay. Okay. And the second one?

Feroze Azeez: Yes, the second one, sir, stock has delivered whatever it has to deliver. I do not think, in my opinion, corporate action, of course, I do not remember what was the price during buyback because I think stock price...

Kamlesh Gupta: Rs. 4,450, I think.

Feroze Azeez: Rs. 4,450, no, sir means yes, irrespective for buyback, you can just check. No, that was not the Rs. 4,450, was that the price at which we buyback?

Kamlesh Gupta: Yes, before bonus.

Feroze Azeez: Yes.

Kamlesh Gupta: It was before '15 (to be ignored)

Feroze Azeez: So, sir, our corporate actions of buyback, I think we have not considered any buyback so far. And if there is any consideration we will come back to you and price is not a huge motivation for a buyback. Of course, earlier, there used to be immense amount of tax efficiency when we used to do buybacks. I think the tax laws have changed on that as well because the shareholder does not get it tax free now anymore.

Kamlesh Gupta: I think sir, for the open market buyback, it is still there, sir.

Feroze Azeez: Okay, sir. Thank you. Yes, we will check, because it is pardon my ignorance. Open market buyback if it is there. But we will come back to you. But as of now, in my mind, there is nothing on the cards, which we have discussed internally if I have to tell you as transparently as it could get.

Jugal Mantri: But for shareholders, it does not make any difference, Feroze Bhai. Whether the tender sales in buyback or whether we sell in the open market. So, there is no tax advantage to the shareholders. Is there any tax advantage Kamlesh to shareholder?

Kamlesh Gupta: Yes, sir.

Jugal Mantri: In share in buy back.

Kamlesh Gupta: For shareholder it is not there. It is not there.

Jugal Mantri: That is what I am asking.

Kamlesh Gupta: But for Company, it is beneficial. Still it is earlier rules apply, sir, I think, for the open market.

Feroze Azeez: Yes sir, look sir, what we have to say sir, Kamlesh sir, we need such investors who look after the business for 10 years. In the meantime, we are trying to do our best for a shareholder in terms of dividend, in spite of the bonus shares, doubling the number of shares we try to keep the bonus rupee share, rupee value of the bonus equal. So, that the final dividend doubles. So, we are doing that. And we are always trying to look at people who do not see us on a quarter, six months, one year, and that is how we like to have our shareholders who can make us understand that if a business with compounding of 20% to 25% can be done in 10 years that is how we look at it. Of course, your point is valid. I will also examine because I am not a CA, but I have tried to read

all the relevant ones, but this is enlightening for me. I will definitely do some homework, I assure you.

Kamlesh Gupta: Thank you, sir. Thank you.

Moderator: Thank you sir. As there are no further questions, I would now like to hand the conference over to Mr. Feroze for closing comments.

Feroze Azeez: Thank you, Zico, and thank you, everyone, to join this call. It is a privilege to have our prospective and existing shareholders on this call. And it is, but if I have to go out of the script, I am so happy and enlightened each time you guys ask questions because it pushes us to think a little more and push us is in a brighter direction. So, we, as professionals, always assure you our best ability given to you as shareholders. So, I think thank you for those wonderful questions, which sets us thinking, sometimes improves us, and enlightens us. Grateful. Have a wonderful weekend.

Moderator: Thank you. On behalf of Anand Rathí Wealth Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.