"Anand Rathi Wealth Limited Q4 and FY22 Earnings Conference Call"

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MANAGEMENT:

Mr. Anand Rathi - Founder & Chairman, Anand Rathi Wealth Limited

Mr. Rakesh Rawal – Chief Executive Officer, Anand Rathi Wealth Limited

Mr. Feroze Azeez – Deputy Chief Executive Officer, Anand Rathi Wealth Limited

Mr. Jugal Mantri – Group Chief Financial Officer, Anand Rathi Group

Mr. Rajesh Bhutara – Chief Financial Officer, Anand Rathi Wealth Limited

Moderator: Ladies and gentleman, good day and welcome to the Anand Rathi Wealth Limited Q4 and FY22 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. The statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anand Rathi, Chairman and Promoter. Thank you, and over to you, sir.

Anand Rathi: Thank you, Rutuja, and very good afternoon, ladies and gentlemen, welcome to our earnings conference call for the first time after our listing for the full year results and obviously the quarter four results. We welcome you all. I am very happy to inform that I am also joined by our senior management team, Mr. Rakesh Rawal, who is the CEO, Mr. Feroze Azeez who is the Deputy CEO, Mr. Jugal Mantri who is Group Financial Officer and Mr. Rajesh Bhutara who is the CFO of the company.

As you must have seen our results have been very good and the way we will proceed, Mr. Jugal Mantri will brief you about the results, which are already perhaps in your hands, and then it will be followed by questions & answers and all my senior colleagues would be very happy to -- Mr. Rakesh Rawal or Mr. Azeez, Mr. Mantri, Mr. Bhutara, take all the questions which you have in mind. So, thanks once again for joining us and over to you, Jugal.

Jugal Mantri: Thank you very much, sir. Good afternoon to all. So I am happy to share that the company and its subsidiaries all have posted robust performance for the financial year ended March 2022, backed by the accelerated growth across businesses. Our revenue for the year ended 31st March, 2022, stood at Rs. 426 crore as against Rs. 279 crore in FY '21 registering a growth of 52% compared to the same period last year. Our EBITDA for the year stood at Rs. 177 crore, registering a growth of 155% as compared to Rs. 70 crore during same period last year. Our EBITDA margin that is very healthy and it stood at 42.4% in FY '22. Profit after tax for the year stood at Rs. 127 crore, registering a growth of 184% as compared to Rs. 45 crore during same period previous year. Our quarterly revenue, EBITDA and PAT stood at Rs. 115 crore, Rs. 46 crore and Rs. 35 crore respectively, registering a strong growth of 49%, 216% and 239% respectively over same period last year.

The basic earning per share for the company for financial year '22 stood at Rs. 30.49. The return on equity, which is one of the most important parameters that stood at healthy 41.7% for financial year 2022. The company has declared a final dividend of Rs. 6 per share, which is subject to approval of the shareholders. Earlier the company has declared and paid interim dividend of Rs. 5 per share. So all put together the dividend for the financial year FY '22, if it gets approved, it will be Rs. 11 that will translate to 220% of the face value of share. Going forward with broad based recovery throughout the economy, improved market condition and growing awareness of a dedicated wealth management advisors, we expect an increase in flow of funds and consistent growth in our AUM in the coming quarters.

With this, we will now open the floor for question and answers. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Madhusudan Kela from MK Ventures. Please go ahead.

Madhusudan Kela: Good afternoon.

Anand Rathi: Good afternoon

Madhusudan Kela: Good afternoon, Anand ji, brilliant set of numbers to you and your team. You have lived beyond the promises which you made at the time of IPO, so congratulations on that. Anand ji, I had one simple question.

Anand Rathi: Yes.

Madhusudan Kela: We continue to generate substantial cash in the business and of course the business does not require money and we have seen by international examples that buyback is a far more effective way than dividend in overall wealth creation for all stakeholders. So, A, will you consider buyback as and when the company becomes eligible? And B, generally speaking, what kind of quantum of profit we can expect to be distributed by the company over the next two-three years? Let's say if we make Rs. 100 profit what kind of distribution can happen?

Anand Rathi: Thank you Madhu for the compliments. And I think in accordance with the policy to reward shareholders, obviously we will definitely consider the buyback option at the appropriate time depending on when we are eligible, how much funds are available and looking at the requirement of funds of growth, obviously we would like surplus funds to be used for the rewarding shareholders from time to time. And obviously the timing and quantum will depend on the situation, because we would like company to grow and any investment in growth will be required will be done. We will also look for opportunities for acquisition of small businesses if possible. So our whole idea is, obviously, to grow the company as much as better as we can do and also reward the shareholders. And I hope our shareholders with the decision which we have taken even to increase our dividend. Last year we have paid Rs. 5, this time we have made Rs. 11. I am sure the shareholders would be happy with the decision of the Board and thank you for your suggestion.

Madhusudan Kela: Thank you, Anand ji, thanks a lot.

Anand Rathi: Thank you.

Moderator: Thank you. The next question is from the line of Rohan Mandora from Equirus. Please go ahead.

Rohan Mandora: Thanks and congratulations on good set of numbers. Sir, just one question was in terms of as you commented right now, you will also look at some acquisition opportunities. So if you could highlight which lines of business would you be evaluating those incremental?

Anand Rathi: It would be in the wealth management only. I think our idea is to be focused only on the wealth management business.

Rohan Mandora: Sure, sir. Second was in terms of the AUM movement, like we had given in the presentation last quarter if you could share how much of it was coming from new clients, existing clients and MTM, some color on that?

Anand Rathi: Yes. Rakesh sir?

Rakesh Rawal: How much did we get from new clients, Jugal ji do you have that number readily available? If you don't then we can separately give an answer for that.

Jugal Mantri: We had an inflow of about Rs. 2,700 crore in net inflow in the last financial year and out of that 50% was from the existing client and about the same has come from the new set of clients.

Rakesh Rawal: Okay.

Rohan Mandora: Sure, sir. Another question was in terms of in market linked debentures that we do, in case some client wants to exit prior to the maturity, are there any pre-payment charges that are levied on that or how does the transaction work, if you could give some clarity on that?

Rakesh Rawal: Feroze, you want to take that?

Feroze Azeez: Sure. So when there is a premature withdrawal what happens is since it's our ongoing business, we sell it to another buyer and there is no redemption charge, if that's what you're alluding to, Rohan, that's your question, right?

Rohan Mandora: Yes, so then no redemption charges, okay.

Feroze Azeez: Correct. But because we buy it and then we house it and sell it we may have some margin in terms of when you are selling. So some degree of trading margin will be there, which generally is levied on the buyer rather than the seller.

Rohan Mandora: Got it, sir. And, sir, in terms of new the client acquisition run rate, like last year was around 988 and this year net addition you have 973, so like, how should we build the run rate going ahead? What is the run rate currently and what is expected run rate going into FY '23 for new client acquisitions?

Feroze Azeez: Of course when you run a business like this, there's something called the critical mass. I think the run rate would increase, if you look at the number of RMs, we expect 0.7-0.8 per month per RM, new acquisition, that's our target. So are we heading there, the answer is yes. As you have larger number of satisfied clients who've spent reasonable amount of time your references shoot up. Of course, after the pandemic, it has been close to 1,000 all three years, 800, 980 and again 1,000. But do we see this pace increasing, to my mind, yes, there could be a 50% growth in the pace in this year, because there is a large visibility, a business like ours gets after listing and that creates some degree of momentum in terms of acquisition and that's what we've seen in the second part of the last year after we've been listed.

Rohan Mandora: Sure, sir. And sir, the 0.7 per RM per month client acquisition would be for certain vintage of clients that we are targeting, beyond a certain vintage or across the RM pool?

Feroze Azeez: No, see if you have 271 so if I say 0.7, then I am speaking of 200 clients gross. So 150 clients per month is our target, that's our target, will we get there in a year, two years, the answer is yes.

Rohan Mandora: And lastly would it be possible to share -- you were saying something?

Feroze Azeez: Yes, I was saying there are two sets of RMs, one are the ones who have crossed the Rs. 40 crore mark, those we call them as qualified RMs, so there we would look at, at least 0.7 in this year.

Rohan Mandora: Got it, sir. And sir, just lastly, would it be possible to share the quantum of MLD issuances during the year?

Jugal Mantri: See the quantum was more or less same what it was in FY '21, it was about Rs. 2,800 crore and largely even these issuances were renovation sort of where the people have redeployed their money which they have received out of redemption.

Rohan Mandora: Got it, sir. Thanks a lot.

Moderator: Thank you. The next question is from the line of Senthil Kumar from Joindre Capital Services. Please go ahead. As there is no response we'll move to the next question which is from the line of Kartik Sahni from Omidyar Asset Management. Please go ahead.

Kartik Sahni: Hi, sir. I just have one question. So your share of mutual funds is now around 46%, can you give us a target of down the line three years?

Rakesh Rawal: The target for the next three years is to try and get to 50% of income from mutual funds.

Kartik Sahni: All right. Thank you.

Feroze Azeez: And with respect to the assets that's the 46% number you are referring to, in terms of assets it'll be 55%-60%, in terms of revenue like Rakesh sir mentioned 50-50.

Kartik Sahni: Okay, thank you. Got it, thank you so much. All the best.

Jugal Mantri: So Kartik even the amount which you are referring of the mutual funds that is only the equity mutual fund amount, in fact the total share of the mutual fund assets in our AUM is 58.3%, so 46% is only equity mutual funds share.

Kartik Sahni: Okay, that's clear. Thank you.

Moderator: Thank you. The next question is from the line of Senthil Kumar from Joindre Capital Services. Please go ahead.

Senthil Kumar: Am I audible, sir?

Rakesh Rawal: Yes, you are audible and now you are not.

Moderator: Mr. Senthil Kumar, please go ahead, your line is unmuted.

Senthil Kumar: Hello, congratulations to the team for the good set of numbers, sir and thanks for the opportunity. I have two questions, first one is given the current uncertain market environment on account of various macro factors do you foresee an increase in MLD business as it offers a downward protection to investors, because I see a fall in other security contribution, which includes MLD AUM from 35.28% in FY '21 to 29.15% in FY '22. Can you please throw some light on that, sir, on the future outlook of MLD business?

Rakesh Rawal: Feroze, can you take this?

Feroze Azeez: Hello, sorry. There was some disturbance. So I couldn't hear the question correctly. If you can go again with the question it will be very helpful for me to give you a point and answer to it.

Senthil Kumar: Yes, I just want to know this future outlook of MLD business, because now I can see that the other security contribution, which was declined from 35% in FY '21 to 29% in FY '22, now given this uncertain market environment, how do you foresee some increase in MLD business going forward?

Feroze Azeez: See all our decision with respect to allocations of mutual funds, structure product, as we call them MLDs is dependent on the macroeconomic variable and the client objective, like just previously we were discussing that our equity mutual fund moved from 39% to 46% and our MLD moved from 35% to 30%, that's because beginning of the year we thought that the client objective can be better met with 5% moving from MLDs to equity mutual funds. And since we use a very standardized, very oriented all of our RMs are aligned and oriented in one direction all of it happens together that's why you see 5% reduction in MLD and a 5%-7% increase in the equity mutual fund. That's the top down recommendation from our model portfolio. So that's the heartening thing that whatever we decide on the model portfolio actually becomes a reality in the assets.

Now, coming to the question of what do we see as the future of the MLD business, MLD business of 30% to 35% helps us maintain the standard deviations of 8%, three year standard deviation. So this one third component is what I think will be a reasonably stable recommendation plus or minus 5%. So 30% is on the lowest side, 35% is generally on the higher side given our track record of six to seven years. Now, a large portion of MLDs which have been sold three years back, four years back come to maturity and 78% to 80% of our gross mobilization comes from maturity and repeat buyers with that kind of marketing momentum, which has developed over the last 10 years. Will the business capitalize on it over the next 10 years? the answer is yes.

Senthil Kumar: Understood, sir, thank you. And my second question has been already answered, that's it from my side. Thank you, sir.

Feroze Azeez: Thank you, Senthil.

Moderator: Thank you. The next question is from the line of Devesh Agarwal from IIFL Capital. Please go ahead.

Devesh Agarwal: Good afternoon, everyone and thank you for the opportunity. Firstly, congratulations for a good set of numbers and beating your own guidance.

Rakesh Rawal: Thank you.

Devesh Agarwal: I think you already did mention about this number, but I missed that, the MLD contribution of the gross mobilization for the year is the number Rs. 2,800 crore, is that what you said?

Rakesh Rawal: Yes, that's what Jugal informed us, yes.

Devesh Agarwal: And for the fourth quarter, how much would that be?

Jugal Mantri: So for the fourth quarter, the gross mobilization was about Rs. 760 crore.

Devesh Agarwal: Understood. And in terms of the tenure for this product, have we seen any change versus FY '21? Are we selling more of five years? Is that what we can assume?

Rakesh Rawal: That's right, it's more five years than three years, yes.

Devesh Agarwal: Right. And we had started selling even third party MLDs, is there any progress or any number that you can share on?

Jugal Mantri: Yes, definitely there is a progress. In fact, about 35% or you can say one third of the new sales has happened of the third party only, two third is of the Anand Rathi Global and one third about that is of third party.

Devesh Agarwal: And so the duration remains the same, five years, even for the third party products?

Rakesh Rawal: No, the third party is three years and the other one is five years.

Devesh Agarwal: Understood. In terms of your guidance that you have given for FY '23, I think you are forecasting 22% growth for your AUM. Sir, can you just give your broad color, which are the segments, what kind of growth are you looking for in FY '23?

Rakesh Rawal: Well, to my mind, it is going to be proportionate. Why? Because the strategy is proportionate. Hello?

Devesh Agarwal: Yes, I am listening, sir.

Rakesh Rawal: Yes. So if I have new money coming in with an objective of earning 12-13% return that has an allocation of a certain proportion to equity funds and certain proportion to MLDs and debt. So the new monies will get allocated in the same proportions. So the 22% is going to be in essence the same 22% for all the categories.

Devesh Agarwal: Understood, okay. And sir any targets for the RM addition for this year?

Rakesh Rawal: RM addition for next year, we are looking for about 40 to 50 people, again.

Devesh Agarwal: 40 to 50 people. Perfect, sir. Thank you so much and all the very best.

Rakesh Rawal: Thank you very much.

Moderator: Thank you. The next question is from the line of Franklin Moraes from Equentis Wealth Advisory. Please go ahead.

Franklin Moraes: Yes, thanks for taking my questions. So in your underlying assumption of around 22% AUM growth, would you assume the industry also to growth at a similar level?

Rakesh Rawal: Well, I don't think we are looking at it from the perspective of the industry. We are saying that, given the new monies that we get when we acquire clients, as well as existing clients, what kind of new money they can bring in and therefore this whole thing is built bottom up and our estimate on that is therefore 22%-23%.

Franklin Moraes: Okay. And if I look at the AUM in proportion to the client, it appears to be that the average ticket size of the client is reducing over the last maybe three years or so. So, could you tell us like, what was the average ticket size at origination three years back and what it is current?

Feroze Azeez: Firstly, the average client size is not reducing. When you bring in a new client your base of number of clients is increasing. When you get a new client, it takes one, two, three years of credibility building for you to penetrate into one's balance sheet, to the extent of 50-70-80%. When a Rs. 10 crore balance sheet commences with you with a crore, it doesn't imply that he has got just a crore to give you. So you are going to balance sheets upwards of Rs. 5-10-15-20 crore, but the people commence with Rs. 1-2 crore. So as you expand your new client base, if you look at averages without mean, median, modes, arithmetic mean might be a little deceptive number, right? So, that's why you see as the client base increases, the average ticket size is coming down, but if you bifurcate three year plus clients and then see average ticket sizes, it'll be reasonably good to see a growth in the average ticket size.

Jugal Mantri: Feroze bhai you have rightly said, Mr. Franklin, in fact, if you will at the AUM what we had in FY '18, our AUM was about Rs. 15,000 crore and we had total number of clients those were about 3,300. In fact, the average at that time was also Rs. 4.5 crore. So it is in fact, commendable that in spite of doubling the number of active client families, we have been able to maintain the average AUM per client family at almost the same level. So that is really commendable and it goes very well with what Feroze bhai has said.

Franklin Moraes: So I was, like the AUM also would have a certain portion of the profit also, which would have got built into over the last three years, so I was just trying to adjust it for the profits or the increase in AUM that would've happened just if you look at inflows, probably that number would have come a little bit lower. But as you rightly said, probably as the new clients get added, incrementally the average size for the new clients is a bit lower compared to the ones for the existing clients, which is probably why on an aggregate basis if you look at it, the average size would appear to be a bit lower. But so my follow up question on this is, how long does it take for the client to reach that maturity level in terms of providing large part of his or rather shifting large part of his portfolio?

Feroze Azeez: Okay, sir. So, if I told you the average time taken, I think credibility gets built in three years. So, if a person has spent three years and seen one cycle of three-year investing the credibility goes up and then penetration becomes relatively easy. So that's why we see below three years and above three years more clearly in terms of our client bifurcation. But most of them start with 10-15-20% off their balance sheet, don't start with 60-70-80% and over a period of 10 years you become a sole advisor.

So three years, seven, eight, nine years to become a sole advisor and three years to penetrate upwards of 50-70% of one's balance sheet. Because as long as you have created clear expectations and then you meet those expectations clients are very, very happy to give you larger chunks of their balance sheet because it gets them to be more relieved. So that's three year and seven years, eight years, does that answer?

Franklin Moraes: Yes, that's really very helpful in terms of understanding investor movement. Next question is in terms of largely we are oriented towards mutual funds, both debt and equity, but, if you see clients are more preferring or rather they want to diversify into the non-mutual fund oriented kind of businesses at an industry level. So are we making any steps towards diversifying our revenue sources as well?

Feroze Azeez: Okay, sir. So, firstly, we are not oriented to mutual funds or MLD for any product. Our orientation is to the client objective. There's a little difference, there's a subtle difference. So our client objective is what we are oriented towards and what is the simplest way to achieve that objective? If that happens through equity mutual funds 45%, MLD 30%, then that be it. So that's point one. Point two, of course, clients have this inner desire, especially looking at several products being offered from a crypto to private equity to a REIT to NCDs of real estate developers. So there's a lot of digression which is there in the marketplace in the form of product offering.

When you're meeting 7,000 clients, one-on-one as a private banker or a private wealth manager, you influence their thought process over 10, 12, 15 meetings. So once the client is designed to think in a certain way, he filters out most of the products himself or herself, for example. If today, if you pitched our client, somebody who has gone through a lot of learning curve, a specific product, he'd ask you the question, what is the return, what is the standard deviation, what's the cost as a expected return ratio? So all those five, six filters throughout several product distractions and helps the client overcome the FOMO sentiment, fear of missing out sentiment, which he feels when he sees a new attractively entertaining product. So that's how we try and handle that distraction.

Franklin Moraes: Okay. Last question is on the trail revenues. So we've seen the trail revenues as a percentage of total revenues increasing for this current year. But going forward, how should we look at this trail revenue, if you could just give some understanding in terms of how to build and understand this?

Feroze Azeez: Like Rakesh sir already mentioned that our target in the short term itself is to have 50% trail revenue from mutual funds and 50% all others put together, largely MLDs. So that's our target, that's one way of looking at it. Second, we always have this aspiration to cover our HR cost and certain degree of fixed cost using trail revenues. So to answer your pointed question, it’s 50-50 as a proportion of other revenues and mutual fund trail revenue, is our target, we must be there in the next year or two years latest.

Franklin Moraes: Okay. But as a percentage of total revenues will this share increase or will it be the same now?

Feroze Azeez: 50-50 was the percentage.

Rakesh Rawal: Of the total revenue.

Franklin Moraes: Okay. Thanks a lot.

Feroze Azeez: And that's why you see last year when we were very determined to increase our trails, you've seen a 71% growth in the revenues from trail. The overall revenue growth has been 56%, but the trail revenue growth has been 71%, which implies that we are heading towards our target of 50-50.

Franklin Moraes: Great, thanks a lot.

Moderator: Thank you. The next question is from the line of Pranav Gala from i-Wealth Management. Please go ahead.

Pranav Gala: Thank you, sir. Am I audible?

Rakesh Rawal: Yes, you are.

Pranav Gala: Sir, I just wanted certain understanding on our MLD business, sir, how does that business

Moderator: Sorry to interrupt you Mr. Pranav Gala, but your voice is not clear, sir.

Pranav Gala: Okay, one second. Is it audible now?

Moderator: Yes, now it is, please go ahead.

Pranav Gala: Good afternoon, sir. I just wanted certain understanding on our market linked debentures business, sir, how does that basically work when it comes to our system? I mean, we have an RM and a client, the client gives us money and how does the process flow, sir?

Rakesh Rawal: I think Feroze has explained that the client, firstly, we look at his balance sheet, we tell -- he fixes an objective of 12% to 13% return after which we tell him that how he can get that 12% -13% return by putting monies in a certain proportion in equity funds, some in debt and MLDs. He finds that particular mechanism attractive and then depending on what his balance sheet is, he keeps filling in the gap of putting money in equity funds and MLDs.

Pranav Gala: Right. So I mean, when say the client agrees 50% in equity and 50% in MLD, so he will be opening his own account and putting his money as whatever you have whatever the RM has suggested, is that understanding correct?

Rakesh Rawal: Yes, okay, so therefore for the MLDs he opens a Demat account and sends a cheque to the company to ARWL and then the MLD is credited to his Demat account. Is that what you want to ask?

Pranav Gala: Yes, so once the MLD is credited to his account, so then what is the risk associated with MLD towards us and the client?

Rakesh Rawal: Okay, what is next, Rutuja?

Moderator: Yes, sir.

Pranav Gala: Am I audible, sir?

Moderator: Yes, you are.

Pranav Gala: Yes, so sir, I was just asking that based on the MLD side, once the MLD is credited to the client's account, what is the risk associated to the client as well as to us?

Rakesh Rawal: What is the risk? It’s lying in his Demat account, I don’t understand the question. Any security lying in a Demat account is lying in a Demat account, what is the risk? What specifically do you have in mind?

Pranav Gala: No, there are certain loans taken and loans given on our balance sheet last year is that related to MLD?

Jugal Mantri: No, no there is no loan which is attributable towards the MLD business. As Rakesh ji has clearly outlined that in case if the client agrees to the strategy of investing into MLD, based on that the book is being created and if Anand Rathi Wealth Limited purchase the MLDs from the issuer and resell it to the client. So there is no risk associated with this MLD business in the books of Anand Rathi Wealth Limited, the reason being we have simply sold the securities and ultimately the beneficial ownership as well as any risk, which is associated with the instrument that will be in the books of the MLD holder. So there is no risk associated with it, will be there in the balance sheet of Anand Rathi Wealth Limited. Is that make it clear to you?

Pranav Gala: Yes, this is what I was asking, sir. Thank you so much. This is basically saying that once the buying of MLD is done from our end for the client, it's being credited to their account, once that has happened, the risk entirely goes to the client, there's nothing on the books of Anand Rathi Wealth Limited.

Jugal Mantri: Correct, absolutely.

Pranav Gala: Okay, thank you so much, sir.

Rakesh Rawal: Thank you.

Moderator: Thank you. The next question is from the line of Agam Shah from Praj Trading. Please go ahead.

Agam Shah: Hi. Thanks for the opportunity. Can you just briefly talk about your digital initiatives, the two things which you have been doing like the OFA, Omni Financial Advisor and digital wealth, can you just briefly talk about the two initiatives?

Anand Rathi: So, I think, the two initiatives are obviously long-term initiative to cover the different segment of clients, which are not covered under private wealth. So digital wealth management primarily is meant for mass affluent category where people obviously want to invest and based on the online build portfolio. Our entire proposition is online, the investments can be done online etc., and the rebalancing can be done online. So it's basically a digital wealth management plan where people can do themselves without any assistance from the RM and, that's why because for mass affluent it is cost ineffective to have senior RMs which are doing wealth management and that's why this has been created and right now it is being sold through the various independent financial advisors to their clients. But independent financial advisors understand our platform and try and distribute to them. But obviously the entire investment, the AUM is of the company.

The other product which we have id OFA, which is a technology platform for the small, independent financial advisors who don't have their own technology based support. So it's a subscription based product which we give and we have more than 5,300 independent financial advisors who have bought this product from us. We service this product, it helps them to -- it's a white labelled for them and in their own name, they send the reports to their clients, there's a client app, which they can do and therefore the idea is to help IFAs to acquire more clients providing the technology platform, which they themselves are not able to do. And primarily, obviously it is intended for the retail investors and there is a increasing traction on both the products and hopefully in long-term these will also grow and will become big businesses.

Agam Shah: So the OFA front.

Anand Rathi: Yes.

Agam Shah: So is that the financial advisor would be selling only Anand Rathi product?

Anand Rathi: No, actually we are only giving a technology platform. Its subscription based. We are not selling any product through our rights.

Agam Shah: To the financial advisor, that's it?

Anand Rathi: It is like you buy Tally for example, so it's like a technology platform and product, which is designed to be used by any financial advisor so that their entire transactions of mutual funds are fully recorded in the system and then whatever report they want to send it to their clients they can send it. The client can use the app, which is again, part of our services. So he can open the app and see any data which is related to the investor.

Agam Shah: Okay, thank you.

Anand Rathi: Thank you.

Moderator: Thank you, ladies and gentlemen due to time constraints that was the last question. I would now like to hand the conference over to the management for closing comments.

Anand Rathi: Thank you. Rakesh would like to make any comment.

Rakesh Rawal: Thank you very much for coming in and joining and we tried to answer all of your questions to the best of our ability. And I want to say that we will continue to endeavor to do our best for our very very esteemed shareholders. Thank you very much once again. Thank you.

Jugal Mantri: Thanks everyone. Thank you very much, all the participants. In case if you have any further query or if you need any clarification, please, either you can reach investor relationship head, Mr. Vishal Sanghavi or CFO Mr. Rajesh Bhutara or strategic growth advisor who is helping us on IR front. Thank you.

Rakesh Rawal: Thank you.

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