



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS



IPO Note:

**Anand Rathi Share & Stock Brokers Ltd
- SUBSCRIBE**

Anand Rathi Share & Stock Brokers is a well-established full-service brokerage house with over three decades of experience, operating under the trusted Anand Rathi brand. The company provides a comprehensive suite of broking services, margin trading facilities, and distribution of financial products to a diverse client base, including retail investors, high-net-worth and ultra-high-net-worth individuals, as well as institutional clients. Its investment offerings cover a wide spectrum of asset classes such as equities, derivatives, commodities, and currencies. The firm's client base is dominated by a mature demographic, with over 84% of active clients above the age of 30, which contributes to higher engagement levels and greater wallet share.

The company's operations are supported by a strong physical and digital presence through 90 branches across 54 cities, a network of 1,125 Authorised Persons across 290 cities, and proprietary digital platforms such as Trade Mobi, AR Invest, MF Client, and Trade Xpress, which offer clients a seamless trading and investment experience across Tier-1, Tier-2, and Tier-3 cities. The brokerage business is primarily focused on cash delivery and intraday trading, with the equity cash segment contributing 54.33% of brokerage income in FY25. In addition to broking, Anand Rathi provides algorithmic trading services, assists clients in subscribing to IPOs, and offers securities lending and borrowing services. The business is complemented by a strong research franchise that provides fundamental research, thematic baskets, and trading ideas across equities, commodities, and currency markets.

Anand Rathi's revenue mix reflects a well-diversified business model, with broking and related services contributing ₹5,102.72 million in FY25, followed by interest income from the margin trading facility at ₹1,142.82 million and distribution income at ₹783.08 million. The company's branch-led model remains a key driver, generating ₹4,882.13 million in revenue in FY25, while the B2B channel through Authorised Persons contributed a healthy ₹2,146.49 million. Strong business momentum was also evident in operational metrics, with active clients growing 26.07% year-on-year and the margin trading facility book expanding by 11.05%, underscoring increased client engagement and leveraging of trading opportunities.

Anand Rathi has consistently delivered industry-leading performance, reporting the highest Average Revenue Per Client (ARPC) among peers during FY25, as per CARE Report. This is attributed to its long-standing client relationships, mature client base, and personalised client management approach. The company also distributes a wide range of third-party financial products, including mutual funds, alternative investment funds, structured products, corporate fixed deposits, non-convertible debentures, bonds, and portfolio management services, supported by its relationship managers and digital channels. Its subsidiary, Anand Rathi International Ventures (IFSC), extends the group's capabilities to international markets, catering to NRIs and family offices seeking global investment opportunities through memberships in India's international exchanges at GIFT-IFSC.

Investment Recommendation and Rationale: -

Anand Rathi Share & Stock Brokers (ARSSBL), a leading full-service brokerage with a strong brand and diversified business model, is well-positioned for sustained growth driven by rising retail participation and a robust client base. At the upper price band of ₹414, the issue is valued at a P/E of 25.06 on its FY25 post-issue EPS of Rs. 16.52. We recommend investors to SUBSCRIBE to this issue for the long term for the following reasons:

1. With capital markets projected to grow 16–18% CAGR from FY25–28P, Anand Rathi leverages its 30+ years of presence, pan-India branch network, and digital platforms for scalable client reach.
2. The company has delivered strong financials, with revenue and PAT growing at 34.45% and 65.68% CAGR from FY23-25, supported by a diversified business mix and rising retail participation.
3. It has a mature and sticky client base, with 84% of active clients above 30 years of age, and enjoys the highest Average Revenue Per Client (ARPC) among peers as per CARE Report of FY25, driving superior monetisation.
4. The margin trading facility book grew from ₹377 crore in FY23 to ₹686 crore in FY25, a CAGR of 35%, with MTF clients generating significantly higher revenues than non-MTF clients, boosting ARSSBL's overall profitability.

Issue Opens	23rd September 2025
Issue Closes	25th September 2025
Type of Issue	Fresh Issue of 1,79,95,169 shares (aggregating up to ₹745.00 Crores)
Issue size	₹ 745.00 Crores
Price Band	₹393 to ₹414 per share
Bid lot/ Bid Size	36 shares/ Rs. 14,904
Issue structure	QIB-50%, HNI- 15%, Retail- 35%
Post issue equity shares	6,27,09,727 shares
Promoters and Promoter Group Public	Pre Issue – 98.06% Post Issue – 69.92% Pre issue – 1.94% Post Issue- 30.08%
Post issue implied market cap	₹ 2,596.18 Crores
BRLMs	Nuvama Wealth Management Limited, DAM Capital Advisors Limited, Anand Rathi Advisors Limited*
Registrar to the issue	MUFG Intime India Private Limited

* 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.

Financial Summary (in ₹ million, unless otherwise indicated)

Particulars	Fiscal		
	2025	2024	2023
Operating metrics			
Total number of clients	886,644	758,214	669,602
Active Clients	221,510	175,699	154,470
Active clients as a % of Total number of clients	24.98%	23.17%	23.07%
Margin Trading Facility Book (in ₹ million)	6,855.13	6,172.93	3,766.38
Total Assets Under Distribution (in ₹ million)			
• Mutual Funds	49,494.52	39,614.56	26,575.49
• Portfolio management services and Alternative Investment Funds	15,103.75	9,431.34	4,996.51
Financial metrics (in ₹ million)			
Revenue from Operations	8,456.98	6,817.88	4,678.26
Growth in Revenue from Operations (%)	24.04%	45.74%	-
EBITDA	3,112.67	2,305.84	1,150.67
EBITDA Margins (%)	36.81%	33.82%	24.60%
PAT	1,036.06	772.90	377.45
PAT Margins (%)	12.23%	11.31%	8.05%
ROE (%)	23.12%	23.50%	15.32%
ROCE (%)	21.32%	21.48%	16.72%

Source: RHP



The revenue breakdown between the Broking Segment and the Non-Broking Segment is presented below.

Particulars (₹ million)	Fiscal 2025 Revenue	% of Revenue FY25	Fiscal 2024 Revenue	% of Revenue FY24	Fiscal 2023 Revenue	% of Revenue FY23
Broking Segment*	5,102.72	60.34%	4,578.12	67.15%	3,172.67	67.82%
Non-Broking Segment	1,925.90	22.77%	1,323.19	19.41%	1,049.89	22.44%
Other Income from Operations**	1,428.36	16.89%	916.57	13.44%	455.70	9.74%
Total	8,456.98	100.00%	6,817.88	100.00%	4,678.26	100.00%

*Includes interest on delayed payments by clients.

**Comprises primarily interest on fixed deposits, interest on government securities, interest on bonds, interest on financial assets etc.

Source: Red Herring Prospectus (RHP)

The revenue generated from broking services is broken down as follows:

Segment (₹ million)	Fiscal 2025 Brokerage Income	% of Brokerage Income	Fiscal 2024 Brokerage Income (₹ million)	% of Brokerage Income	Fiscal 2023 Brokerage Income (₹ million)	% of Brokerage Income
Equity cash segment	2,332.95	54.33%	1,953.29	49.38%	1,086.79	39.65%
Futures and options segment	1,767.37	41.16%	1,688.11	42.68%	1,366.74	49.86%
Commodity trading	143.41	3.34%	116.26	2.94%	100.02	3.65%
Currency trading	50.30	1.17%	197.96	5.00%	187.61	6.84%
Total	4,294.03	100.00%	3,955.62	100.00%	2,741.16	100.00%

Source: Red Herring Prospectus (RHP)

The following table presents the vintage of active clients for the indicated periods:

Average Tenor of Relationship with Active Clients	March 31, 2025	% of Active Clients	March 31, 2024	% of Active Clients	March 31, 2023	% of Active Clients
Up to 1 year	44,850	20.25%	32,538	18.52%	23,782	15.40%
1 year to 3 years	46,158	20.84%	35,255	20.07%	33,899	21.95%
3 years to 5 years	31,080	14.03%	20,337	11.57%	18,174	11.77%
More than 5 years	99,422	44.88%	87,569	49.84%	78,615	50.88%
Total	2,21,510	100.00%	1,75,699	100.00%	1,54,470	100.00%

Active Clients are clients who have generated revenue during the relevant Financial Year.

Source: Red Herring Prospectus (RHP)

As of March 31, 2025, the demographic profile of the company's active clients is detailed below:

Age Category	No of Active Clients	% Active Clients	Total Assets under custody (AUC) (₹ Millions)	% Age wise AUC
- Individuals				
< 30 years	25,519	11.52%	8,992.12	1.48%
30 - 44 years	73,015	32.97%	47,121.83	7.75%
45 - 59 years	66,010	29.80%	1,41,436.58	23.25%
> 60 years	47,834	21.59%	1,79,423.88	29.50%
-Other than individuals	9,132	4.12%	2,31,265.30	38.02%
Total	2,21,510	100.00%	6,08,239.71	100.00%

Source: Red Herring Prospectus (RHP)



Objects of the issue

Fresh Issue of 1,79,95,169 shares (aggregating up to ₹745.00 Cr)

Company plans to use the Net Proceeds to fund the following objects:

1. To fund long-term working capital requirements of our Company.
2. General corporate purposes.

Source: Red Herring Prospectus (RHP)

Peer Comparison

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

Source: Red Herring Prospectus (RHP)

Competitive Strengths

1. The Company records the highest ARPC among peers, supported by the strategic expansion of its Margin Trading Facility (MTF) business, which enhances revenue per client and strengthens long-term engagement.
2. As a full-service brokerage house, the Company benefits from a well-balanced mix of broking, distribution, MTF interest income, and other financial services.
3. A wide geographical presence combined with robust digital platforms drives efficient client acquisition, engagement, and servicing.
4. With over three decades of legacy, the Company is backed by reputed Promoters and a seasoned management team, enhancing credibility and trust.

Source: Red Herring Prospectus (RHP)

Growth Strategies

1. Focus on improving average revenue per client by deepening client wallet share through cross-selling a wide range of investment solutions.
2. Increase geographical footprint while augmenting the client base to drive growth and market penetration.
3. Invest in advanced technology and digital platforms to enhance operational efficiency and deliver superior client experience.
4. Attract and retain skilled relationship managers to ensure sustained client engagement and long-term business growth.

Source: Red Herring Prospectus (RHP)

Key Risks

1. The Company is subject to extensive statutory and regulatory requirements, and any failure to comply or changes in the regulatory framework may result in adverse action by authorities, materially impacting business and financial performance.
2. A substantial portion of revenue is derived from the Broking Segment and the MTF business; any decline in these segments may adversely affect the Company's financial condition, cash flows, and results of operations.
3. The Company's growth depends on retaining and expanding its client base and network of Authorised Persons and relationship managers. Any inability to do so could materially impact business performance and growth prospect.
4. Dependence on intermediaries, vendors, and service providers exposes the Company to operational and regulatory risks, which, if materialised, may lead to litigation, reputational damage, or financial losses.

Source: Red Herring Prospectus (RHP)



Disclosure under SEBI Research Analyst Regulations 2014:

Sr.no.	Particulars	Yes/No
1)	Research Analyst or his/her relative's or Ajcon Global Services Limited financial interest in the subject company(ies):	No
2)	Research Analyst or his/her relative or Ajcon Global Services Limited actual/beneficial ownership of 1% or more securities of the subject company (ies) at the end of the month immediately preceding the date of publication of the Research report	No
3)	Research Analyst or his/her relative or Ajcon Global Services Limited has any other material conflict of interest at the time of publication of the Research Report	No
4)	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5)	Ajcon Global Services Limited has received any compensation from the subject company in the past twelve months	No
6)	Ajcon Global Services Limited has received any compensation for investment banking, or merchant banking, or brokerage services from the subject company in the past twelve months	No
7)	Ajcon Global Services Limited has received any compensation for products or services other than investment banking, or merchant banking, or brokerage services from the subject company in the past twelve months	No
8)	Ajcon Global Services Limited has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9)	Ajcon Global Services Limited has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10)	Research Analyst or Ajcon Global Services Limited has been engaged in market making activity for the subject company(ies)	No

Disclaimer

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above paragraph, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited is a fully integrated stock broking, investment banking, merchant banking, corporate advisory, commodity and currency broking Company. It may therefore have commercial relationship for the above said services with the Company covered in this Report. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited. While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to



update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

It is confirmed that or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I Divya Makwana research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

For research related queries contact:

Divya Makwana - Research Analyst at research@ajcon.net

CIN: L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062