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To,
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Dear Sir/Madam,

Subject: Q4 & FY26 Earnings Conference Call Transcript

We are enclosing herewith copy of the transcript of the Company's Q4 & FY26 earnings conference call dated 10th April, 2026. The transcript is also available on the Company's website at <https://www.anandrathiwealth.in/financial.php> .

This is for your information and record.

Thanking You,

Yours faithfully,

For **Anand Rathi Wealth Limited**

Pravin Jogani
Company Secretary and Compliance Officer

Enclosed: as above

ANANDRATHI

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Anand Rathi Wealth Limited
Q4 and FY 26 Earnings Conference Call
April 10, 2026

MANAGEMENT:

- MR. FEROZE AZEEZ – JOINT CHIEF EXECUTIVE OFFICER
- MR. JUGAL MANTRI – GROUP CHIEF FINANCIAL OFFICER
- MR. RAJESH BHUTARA – CHIEF FINANCIAL OFFICER
- MR. VISHAL SANGHAVI – HEAD - INVESTOR RELATIONSHIP

Moderator: Ladies and gentlemen, good day, and welcome to Earnings Conference Call for Q4 and FY26 hosted by Anand Rathi Wealth Limited. 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. Should you need assistance during the conference call, please signal an operator by pressing start and then zero on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Feroze Azeez, Joint CEO of Anand Rathi Wealth Limited. Thank you, and over to you, Mr. Feroze.

Feroze Azeez: Thank you so much, Renju. Good afternoon, and thank you, everyone, for joining the earnings conference call for the fourth quarter of the year ending FY26. Today, we have with us the Group CFO - Mr. Jugal Mantri; the CFO - Mr. Rajesh Ji Bhutara; and the Head Investor Relations - Mr. Vishal Ji Sanghavi. First, I would like to share some good news with all of you.

As of yesterday's date, we have crossed INR1 lakh crores of AUM post the recent positive movement in the equity markets. This is a 5-digit number. So we were very intrigued to see when we would reach there. 30th March, which was the year-end number, recorded Nifty at an unusual 22,331. So we were intrigued to see whether -- when would we meet our INR1 lakh crore guidance, which we had given for the last year. Unfortunately, we didn't meet it on the 30th March number. So we checked it. Now we have reached the INR1 lakh crores number. So we've just given out the press release as well because this was one of our guidance.

As a part of our policy to reward shareholders, the Board has approved the bonus issuance of 1:1 and has declared a final dividend of INR 7 per equity share, both subject to shareholders' approval. We continued to deliver another quarter of consistent performance and one more indication which we had given to our shareholders that we will try and deliver market-agnostic performance, which seems difficult in a financial services firm, but actually, it's reasonably easy in our judgment. And this is our 18th quarter where we've been able to declare PAT growth Y-o-Y greater than 20%, which is, again, a rarity in Nifty 500. We are one of the very few, which can be counted on a fingertip of how many companies have been able to achieve that feat. Of course, 18 quarters is too little to be able to see consistency. But yes, I'm sure and hopeful that over periods of time, we -- if God is kind and clients are kinder, we'll be able to do that. The mean of the year-on-year growth of our last 16 quarter profits has been -- the mean has been 32.2%, with a median of 33.2% and a standard deviation of our PAT growth is 4.5%, which we -- in our judgment, is a very good barometer of consistency of PAT growth for the 16 quarters, we have, of course, excluded the first 2 because it had the base effect of a lower COVID year. We might be one of the few companies in the world who measure the standard deviation of their PAT growth declared. Again, let me give you my disclaimer that 16 quarters is too little. Statistically, my teacher used to tell me that you need to have 30 data points to call it a large sample. So 14 more quarters to go.

Excluding the impact of fair value gains on the ESOP expense and the related tax effects for FY '26, our total revenue grew by 22%, and we ended the year at INR 1,198 crores with a PAT growth of 28% for the year, ending at INR 386 crores against the INR 375 crores guided.

We have given FY '27 revenue guidance of INR 1,415 crores and PAT guidance of INR 460 crores, again, going with the principles which Rakesh sir Rawal and Rathi ji has always taught and every elder in the company has taught us that under commit, over deliver. Under the same principle, we are guiding you INR 1,415 crores and INR 460 crores for PAT and INR 1,20,000 crores of AUM for the year ending FY '27 is our guidance.

Then coming to the net flow of last year grew by 7% only, INR 13,457 crores is what we collected new, thanks to our clients who have been very generous to give us more money during bad times.

In our flagship Wealth Management business in the last 12 months, we have added 1,600 new client families on a net basis, bringing our total number to 13,395 individual families. Client attrition rate in terms of AUM lost for FY '26 is 0.54% for the full year. Of course, there should be hardly any attrition, and we always aspire to have not even a single client family to be upset with us to leave, but 0.54 is a number which we want to see at 0.

Digital wealth business, which is a B2B2C business, registered an AUM growth of 22% year-on-year to INR 2,218 crores and the number of clients increased by 17% to 7,106. The OFA business, Omni Financial Advisors business, which is a SaaS platform, has 6,906 subscribers with a platform assets of INR1.47 lakh crores for the year ended 31 st March 2026.

Here, I stop my monologue and invite our Group CFO, sir, Mr. Jugal Mantri to take this conference forward.

Jugal Mantri:

Yes. Thank you, and good afternoon, everyone. Let me give you all brief about Q4 FY '26 consolidated financial performance followed by full year FY '26 financial numbers. Excluding fair value gain on investments, ESOP expenses and related tax effects, our consolidated total revenue for the Q4 FY '26 stood at INR 302 crores compared to INR 241 crores for Q4 FY '25, registering a 25% Y-o-Y growth. Profit after tax stood at INR 92 crores depicting a 25% Y-o-Y growth compared to INR 74 crores in Q4 FY '25. Profit after tax margin remained flat at 30.5% for Q4 FY '26, which was at the same level in Q4 FY '25 too.

The reported number that is including fair value gains on investments of INR 54.6 crores, ESOP expenses of INR 39.3 crores and the related combined net tax effect of INR 3.8 crores, total revenue for Q4 FY '26 was INR 356 crores, showing a growth of 47.6% and PAT was INR 103 crores, showing a growth of 40%.

Now let me give you all brief about full year FY '26 financial numbers. Excluding fair value gain on investment, ESOP expenses and related tax effects, total revenue for FY '26 stood at INR 1,198 crores compared to INR 980 crores in FY '25, registering a 22% year-on-year growth. Mutual fund distribution revenue also grew by 22% Y-o-Y to INR 494 crores in FY '26. Profit after tax also grew by 28 % Y-o-Y to INR 386 crores for FY '26 compared to INR 301 crores for FY '25. Profit after tax margin improved from 30.7% in FY '25 to 32.2% for FY '26.

Return on equity on an annualized basis stood at best in industry at 46.74% for FY '26.

Reported number that includes fair value gains on investment of INR 54.6 crores, ESOP expenses of INR 39.3 crores and the related combined tax effect of INR 3.8 crores, total revenue for FY '26 was reported at INR 1,253 crores, showing a growth of 28% and PAT was shown at INR 397 crores, depicting a growth of 32%.

So that is the update on the financial numbers. Over to you, Mr. Renju to open the floor for questions and answers.

Moderator: Thank you. The first question comes from the line of Manas Agrawal from Bernstein. Please go ahead.

Manas Agrawal: So a couple of questions. One, I think in the statutory results, there is some discussion around subscription to ARGFL shares. I want to just understand what is the quantum and how much stake do we have now? What valuation this transaction is happening at? Because I understand this is a group company, which is unlisted.

Part B is, can you just explain what is the asset sale that is leading to profit being recognized in other income? And third is ESOP at fair value (*he was referring to face value instead of fair value in subsequent part of question also*). A lot of companies issue ESOPs at a discount to CMP, not at fair value, there is a big gap. So I want to understand, is this ESOP concentrated in KMPs? Is this spread across the company? Those were the 3 questions.

Feroze Azeez: Super. So I'll take the first part and then give the valuation part to Jugal sir. So Manas, the INR 40 crores rights issue subscription of ARGFL from AR Wealth Limited is a rights issue where Feroze as an individual has participated with INR 94 crores. Rakesh sir has participated with INR 56 crores and the holding company has participated with INR 270 crores and the rest of the other group entities might have participated to a sum total of INR 500 crores.

That's the total amount, which has been subscribed as equity capital in ARGFL. And since there was a rights issue, and I think we own close to about 8%, valuation was INR 500 a share. I think I'll leave the rest to Jugal sir to answer.

Jugal Mantri: So Manas, as correctly said by Feroze bhai that the company has come up with a rights issue, the NBFC Anand Rathi Global Finance Limited. And Anand Rathi Wealth Limited is holding about 8% in Anand Rathi Global Finance Limited, and it has only subscribed to its entitlement. So the total issue size, which was INR 512 crores, about 8% of that, that was about INR 40 crores that has been subscribed by Anand Rathi Wealth Limited just to continue to hold its holding in the NBFC at a price of INR 500 (*per share*). And since it is a closely held company, the whole issue got subscribed by the promoter and the KMPs in the group companies as named by Feroze bhai.

And now coming to the revaluation of the assets. So as the company continued to hold a stake in Anand Rathi Global Finance Limited. But every year, there is an accretion in the net worth of the company as well as the book value is also going up. But to be at conservatism, the stake value has gone up of whatever holding which Anand Rathi Wealth has in Anand Rathi Global Finance Limited and the value has gone up by INR 54.6 crores, and that is the amount which has been booked under fair value change.

Now coming to the ESOP. The company do not follow any practice of issuing ESOPs at the discount value -- discount to the market price. In fact, the ESOPs have been issued, the grant as well as the vesting will happen at the market price only. And -- but still, we will have to take the hit. And that is why on account of that, there is a -- in this Q4 FY '26, the company has taken a hit of INR 39.3 crores. So employee cost has gone up by that amount. So this is the explanation to all the 3 questions which have been put by you, Mr. Manas. If you need any further details, you can get in touch with Rajesh or Vishal. They will give you the exact last digit number on these 3 things.

Feroze Azeez: Manas, someone little clarification. It gets issued at face value like we have in the previous couple of instances. So our policy of ESOP, we generally don't follow a policy of ESOP. There were some -- if you look at the 2018 ESOP policy, you will get a full judgment of how we -- what's our practice. That's consistent with what we had done in 2018.

Manas Agrawal: I understand that. So typically, unlisted companies do issue at face value. My question was a lot of listed companies issue closer to CMP. But that's -- okay. I'll look at it, and I'll discuss offline. On the profit...

Feroze Azeez: One second, Manas. One little clarification to each potential or a current shareholder, we don't do anything because it is popular to do as a matter of principle, okay? So we generally follow a de novo policy on all our HR practices. Like, for example, in our HR practices, we have several of our RMs children joining us, okay, spouses joining us. There could be several listed companies who have a policy that one of you have to resign if you fall in love at work. So anything we do is not because these are popular practices. Whatever is compliantly right, we generally do as per our HR policies at best, you will find some inspiration from HUL because Rakesh sir used to work there.

Manas Agrawal: Understood. And just one more thing. The revaluation gain that we've booked, we've not sold ARGFL shares. This is just mark-to-market. Is that accurate?

Jugal Mantri: Yes, that is accurate.

Moderator: Next question comes from the line of Navin Mathur with Pioneer Capital. Please go ahead.

Navin Mathur: Congratulations, everyone, for a fantastic result. So my question is specifically for Feroze. I was just going through the investor presentation and the latest one. And I came across this slide which talks about credibility marathon. If you could just throw some light on that, I think would help me understand it better?

Feroze Azeez: Yes, Navin. Yes, we have included one interesting slide emanating from a few questions which came when I was speaking to a few industry CEOs who want to potentially someday build a very strong wealth management franchise. So we said, why don't we make that public information of what has been our learning so far of why -- how should a wealth management business, what we learned from our mistakes.

So the slide will say, it is not a capital race. It's a credibility marathon. Quite a few wealth management outfits are wanting to be built and have been in the past every couple of years,

there's somebody who's wanting to build a wealth management business very quickly. So there are 6 learnings which I put on that slide. I'll just explain briefly.

Wealth management is not a capital business. A relationship manager cannot handle thousands of clients. The business is actually a linear business, not an exponential business. So it's not a capital business and quite a few think otherwise.

Second important learning we had in our journey is it's not a business of speed. You can't build this business so fast. It's about patience and time rather than speed.

Third, ideally, manufacturing mistakes are very, very, very, very scarring to a franchise. So quite a few people build a wealth management business starting manufacturing on the day zero.

So we believe this is a backward integration business. You have to be very careful in terms of manufacturing after building ability. So the third point there is build wealth management is a business of backward integration. Distribution is first, manufacturing later.

Transparency with clients. This is some place where if your client doesn't know how much you earn, that's not a franchise which is very easy to protect. That's our judgment. Now there are quite a few wealth management outfits who tell clients that we do advisory. But then when you see their distribution incomes are substantively large, 10x more than advisory income. So you have to be able to tell them that I like, for example, we earn 1.09% approximately on mutual funds post GST on structured products, we earn 1.17%, 1.18% yield if we have to do the same accounting as mutual fund, and we account that upfront. So that's transparency.

Relationship managers do not scale like start-ups. People have this misconception that you hire people at obscene salaries and they will scale up. So if you see this year, 45 RM increase, 78% are people whom we trained from colleges and made them RMs. So lateral hires cannot be a substantive portion of your strategy.

Every leader, this is the toughest part, which we -- I think we have -- Rakesh sir has taken 18 years or 19 years being in this company. Every leader in the company has to be an RM first. Very tough to achieve, easy to speak.

So CEO is an RM, joint CEO is RM, unit head is RM, team leader is an RM. Even support functions, product team at least 15 - 20 people out of the 163 will be RMs. That's one. So that's what this slide is all about. If anybody wishes to build a wealth management business, these are our 6 learnings for them to see if they are relevant to them. That's why we added this slide. Thank you, Navin sir, does it answer.

Navin Mathur: Yes.

Moderator: Next question comes from the line of Prabhav Shah with Equirus.

Prabhav Shah: First of all, congratulations on a 5-digit AUM number. I have a few questions. First is, like this quarter, we saw an ESOP cost of INR 39.3 crores. So can you help us understand how ESOP costs could trend over the next few years?

- Feroze Azeez:** How I would like to look at it is INR 460 crores projection is, that is incorporating all my projections. Under commit, overdeliver is the principle. Do we go too much in detailing, of course, you can write to Vishal Ji. I have always, on this call, said, if you wish to understand the total number, I can give you. INR 460 crores is the guidance, right?
- That does not include ESOP, Vishal corrects me. Should we guide that as well? So how is the projection? I don't know about the projection. But yes, we can give you that specific projection one on one. Is it okay if you can be patient, Vishal ji, if you can have any projection, we can give. But yes, INR 460 crores is our PAT guidance before any of those adjustments.
- Jugal Mantri:** So as we have been reporting the number, excluding the exceptional item like ESOP as well as on fair value changes, the guidance has been given, excluding these provisions.
- Prabhav Shah:** Got it. I have another question on issuance. Can you help us what was the primary and the secondary issuances for this quarter in MLD?
- Feroze Azeez:** Jugal sir, you might have those numbers.
- Jugal Mantri:** See the gross issuances in this quarter was INR 1,895 crores compared to INR 1,815 crores in Q3 FY '26.
- Prabhav Shah:** Got it. And secondary one?
- Jugal Mantri:** And secondary was INR 1,101 crores in Q4 FY '26 compared to INR 716 crores in Q3 FY '26.
- Prabhav Shah:** Got it. And just last question. Like a few quarters back, you highlighted that we have been selling third-party products on our platform. So can you help us understand like how much for this quarter we got from third party?
- Jugal Mantri:** So in Q4, it was INR 168 crores. And for Q3, it was INR 213 crores.
- Moderator:** Next question comes from the line of Niranjana Kumar with Avendus Spark.
- Niranjana Kumar:** So I just wanted to ask 2 questions. On the first one, so we make around 1.09% yield on mutual funds, right. But with the new SEBI TER structure, like new TER structure by SEBI, which is effective from 1st April. So will the yields be impacted? That is the first question. And the second question maybe on similar lines, if you look at the mutual fund industry, maybe top 5 or top 10 AMCs. So how much do they account for in our mutual fund AUM portfolio? And have they come for any negotiations regarding the distributor payout. These are the broad 2 questions.
- Feroze Azeez:** Sir, I missed your name. Can I know your name again?
- Niranjana Kumar:** Niranjana.
- Feroze Azeez:** Niranjana sir. Do AMC's come for negotiation, the answer is yes. Do I see any material change in 1.09, not significant. Like we have guided, we are at the fag end of any cycle, like 2016, we went all trail before SEBI made it mandatory in 2018, okay? That's something which I take pride in till date because we were the first one who's voluntarily said, I don't want upfront income.

So that's one. So if you ask my personal opinion, where are we in the cycle of change because there is also a direct, right? So, the squeeze, which was supposed to happen, has happened. Now, if there is a squeeze, it can be of 2,4 , 5 BPS. It can happen at any time. That much, Mr. Trump does for us. Great! By moving the market. Right? So, it's not going to be materially different is the point being made in terms of trail income.

Yes, to answer your question, do large AMC's come for a negotiation, that entwined twins is a permanent affair for Shweta madam Rajani, who's the Mutual Fund Head for long periods of time for Anand Rathi Wealth. Does it answer, Niranjan bhai?

Niranjan Kumar: Sir, got it. But just to confirm, so there will be yield impact of 2 to 4 basis points. Did I get it right or because of this TER structure or you are telling it will be maybe on?

Feroze Azeez: For an AMC, it might be very important to see what percentage bps change. For a wealth management outfit, 2-3-4%, I don't know the change in bps or will there be any, right? So will it be significant? No. Because if an AMC is making 25 bps, 3 bps is 12% of their revenue, right? If this is one portion of my revenue, in that, if it is on a base of 1.09, it's even smaller, 3 bps on 1.09 is 3%, 3 bps on 30 bps is 10%.

And if this is a part, 40% of my revenue comes as trail, then it is 3% of that 40%. Do you understand the two level base effect is what I'm trying to say. It is not significant enough for me to be worried about my PAT growth for the next 4, 5 years. Does it answer, sir? Will it be 2 bps, 3 bps? I think Shweta Rajani is a very strong lady, and I've worked with her for 20 years.

Moderator: Next question comes from the line of Shubham Gautam with ZS Associates.

Shubham Gautam: My name is Shubham, and I want to start by congratulating the entire management team and Anand Rathi Wealth team on a truly consistent performance this year. I have two questions also. Firstly, on the guidance. The company has consistently guided and delivered around 20% to 25% long-term PAT growth and you have beaten your own guidance every year.

But for the financial year '27, the PAT guidance of around INR 460 crores roughly is around 18 - 19%, which is a bit lower than the stated range, like 25%. Is there a specific reason management is being more conservative this year? Or is it more around the market conditions, global uncertainty or perhaps the base effect getting larger?

And second question is more around the net inflows. The INR 13,450 crores of net inflows, I think, grew in 7% year-on-year basis. So how does management think about the inflow growth in financial year '27? Is it will be in the similar lines? Or do you see any acceleration as the new client families ramp up?

Feroze Azeez: Great question, sir. INR 460 crores on a base of INR386 crores is a number which is 18 - 19% of PAT growth. But if you also see it from my last year guidance, INR 375 crores, then it will come into that range of 22%. So Rakesh sir has guided for long periods of time, the 20% to 25% range, unless God has other plans. This seems intact. And we work on a plan of not 2026. We play -- we work on a plan of 2031, which is 5-year hence, because most of our structured products have a rollover option now.

So 99% of our business comes with a rollover option that implies. If clients, no need money, it rollover. So coming back to your question, we will -- of course, we will always keep that principle in mind with the good understanding, which has been given to us that we will under commit, try our best to under commit and deliver. You're absolutely right, 18 - 19, that was a round figure to do INR 460 crores. On a INR 375 crores base, you will still be in that range of 20 - 25%. That's one.

The second question is net inflow. Any number which can become a negative integer has to be seen very differently. I repeat, net flow can be a negative one as well. There are most numbers, most numbers which come like PAT numbers could be negative. Revenue numbers can never be negative, right? At worst, you don't make money. You don't lose money, revenues can't be. So this number, net inflow, I'm happy that it is 7%. Of course, would I be happy if it is 10% growth? The answer is yes.

What I'm happy about as a professional is that in a year or a quarter like last year, last quarter, we got monies. People lose money also, right? Today, if you see industry's net flows ex the SIP number, today, AMFI has given the number just now, INR 32,000 crores is the SIP number. Last month, the number was -- if you remove the SIP number, the net purchase was negative in equity 3 category, active funds. So coming back, is 7% something to ride home about, answer is big no. But what we do at Anand Rathi is we put our own self-governance.

Now for example, let me give you an example. We had a large inflow coming off a promoter equity, which promoter said that I might consider aligning it to your strategy. But that INR 1,000-plus crores is not counted in my net inflow. So do you understand how much of self-governance is needed to show INR 3,356 crores (*actual INR 3,379 crores for Q4FY26*). Is that the number, Vishal, for net flow, right? When we also had some reasonable transfers, but we thought we should not count them till never hatch your chicken before they hatch or something, never count the chicken.

So to answer your question, 7% is nothing the ride home about, but I'm very happy that we bought equity in the last quarter where everybody was so depressed, we had one of the best months, which is not given as a split, we had one of the best months in March. I will not throw a number because they're not published. Does it answer, sir?

Shubham Gautam: Yes. Yes. This is helpful.

Moderator: Next question comes from the line of Manas Agrawal with Bernstein.

Manas Agrawal: Thanks for the opportunity to ask again. I will again ask on the ESOP. One part of the question was not answered, maybe missed out, so I just want to check. Is the INR 40 crores ESOP spread out across the company? Is it concentrated in KMP? And I'll clarify why I'm asking. Stock options are a retention tool, and that is why they're given at CMP usually. There's nothing barring companies from issuing it at face value, but the gap between face value and CMP essentially is a free gift today. So you ideally want to give it at CMP so that future growth in the company is shared with employees. So that's where my question.

- Feroze Azeez:** Yes. So this is with KMP, Rakesh sir and me to be more specific, if I'm not wrong. And it is in the public domain already.
- Manas Agrawal:** Understood. So all of it.
- Jugal Mantri:** ESOPs are going to be issued at the face value, okay? And that is why there need to be the hit, the P&L hit has to be taken where the differential amount of the market value as well as on the face value, that hit has to be incorporated. That is where you see the ESOP hit has been included in the employee cost, and it is as per the EGM and the resolution which is already passed in the past.
- Manas Agrawal:** I understand the accounting. I am still not convinced on the classification as one-off and the other thing is whether it should be at face value or not, but that is for the company to decide. So it's okay?
- Feroze Azeez:** Manas is very unhappy that I've got a gift. No worries, Manas I'll do justice to this gift, don't worry.
- Moderator:** Next question comes from the line of Akshay Jain, an Individual Investor. Mr. Jain, please go ahead with the question.
- Akshay Jain:** Just one question from my side. So in an increasingly competitive wealth management landscape with the banks and new age platforms scaling rapidly, what do you believe is your most defensible moat? And how are you strengthening it over time.
- Feroze Azeez:** What is our moat, right? Is that the question, sir?
- Akshay Jain:** Yes, yes, correct.
- Feroze Azeez:** The moat -- there's -- everything is a moat, like 6 things which I read out to Navin are a moat. Is there any wealth management outfit wanting to create a culture by hiring people and designing their minds to not sell products which are not good and they don't buy it themselves, that's a moat.
- Second, creating a process-driven company is a moat, right? Getting private bankers to do what is right for the client and follow a process is not an easy task. It has to be built brick by brick. When Rakesh sir hired the first Divya in 2008 and started building it, we built it brick by brick. So culture is designed not soon.
- Third, we don't sell all products. We are not a pharmacy. Pharmacies have medicines, generic medicines published by -- on the counter of any pharma company. We first decide what will we buy and only sell that, which is mathematically correct on the basis of the chronological order of sharp ratio.
- Our HR policies are entrepreneurial. So Feroze if he's no more, God forbid, then my son can become an RM if I qualify him enough that he is ready to -- he's ready to take the Anand Rathi brand, wealth brand to the marketplace without compromising the delivery of the brand created by them.

So everything which we do is de novo. We are not product sellers. AM to RMs, right? I have 450 people. I'm training. From 2016, '17, we are training people for 2026 promotions, 21 promotions, 4, 5 years of training, right? Is that a moat? That's a moat. Calculating Jensen's Alpha for clients, which is nothing but the extra return over risk-adjusted measures, Jensen's Alpha, no one measures, right? We did a survey. We did a survey with 6,000 client HNI families. They said we want risk-adjusted return.

Let this sink in to everyone who is on the call. We did a 6,000 people survey, not 1 or 2 families. They at least own INR 1 lakh crores or INR 2 lakh crores put together. And they say the first thing which we want from a wealth management industry is risk-adjusted return. Which wealth management outfit is measuring risk-adjusted return in any of these 4 measures, Jensen's Alpha, Treynor, Sortino and Sharpe.

These are the 4 I know as a finance student. Nobody is measuring it. Now if you ask my client, what is this Jensen's Alpha, he'll tell you 5%, 7%, 8%. I see a INR1,000 crores portfolio with my competitor, which has negative Jensen's Alpha. And the clients have not measured it. The wealth manager has not measured it, right?

People are selling debt saying that interest rates will come down, you will make money, right? Interest rates went down, repo went down from 6.25% to 5.25%. 10-year GSEC went from 6.8% to 7%. People lost money in spite of going wrong on repo. So finance is lacking marketing and sales is more. That's the moat, right? So there are every step, we are trying our best to do what is right for the client. So the chronological order in which we arrange the 3 stakeholders, our colleagues, then client and then comes shareholder.

If colleagues are not happy, they will leave or they will be so sad that they can't make a client happy. If the client is not happy, shareholder can't be happy. So we as professionals never would want to make our shareholders directly happy. If we have made our people happy, they can make client happy, if both of these guys are happy, the shareholder will be happy. So most people want to make the shareholder happy directly, right?

I'm not so bothered about what the shareholder has to say about how portfolio should be created. Quite a few people said you have only two revenue streams. You are the riskiest business to buy. But it's okay because the client doesn't need a PMS, he doesn't need an AIF in my judgment to produce a 4 - 5% Jensen's Alpha, which is best-in-class. I don't have to sell the fourth or fifth product. So all these are moats.

Moderator: Next question comes from the line of Sunil Shah, SRE PMS.

Sunil Shah: Congratulations, Feroze, and the entire Anand Rathi family, thanks for a super FY '26. Wonderful thing. Sir, just the numbers, we are like 400 RMs, 13,000-plus clients and the AUM per RM about 226. So all the points you mentioned about the moat are clearly there. Now the thought which I have is the next level of growth.

Sir, what I want to share here is more of a suggestion, not more of a question, is that we have a track record of delivering this kind of Jensen Alpha. How about approaching global institutes, institutions for as our client prospect.

The thought which I have is because they are writing a \$10 million check for our kind of a track record will not be something which would be very huge for them. But for us, if we can showcase this kind of a product and try to address the global institutes, that can be a huge leg of growth for us as a company.

And if we can showcase ourselves in the world market as a wealth management firm, delivering this kind of returns, this kind of track record of low attrition of clients, low attrition of colleagues at work, all of those and approach them.

I'm not sure if we are doing, we have done it or we are working or thinking about it. But if you could share me something on these lines or look upon it in the future. Feroze, that was my thought to just reach out to you on this call today. I would like to hear you.

Feroze Azeez:

Sunil sir, I'm always grateful for the suggestions you have given in the previous earnings calls, and they're invaluable to the rest of the shareholders as well. So of course, anything coming from you would be taken with utmost seriousness. But having said which, we have had a certain thought process of saying how do we want a client segment.

That's what Rakesh sir has said that don't go to the really rich ones. Go to those guys who actually will respect math. I'm sure the foreign institutions who can cut large checks can. So this has to be a great intense debate with Rakesh sir, but this is definitely a growth opportunity which you are highlighting.

And very high growth also scares us. Let me confess because I want to consistently grow rather than grow 1 year, 40% and then I have a higher base to grow. I'm just telling you the internal debates of like every -- for the last 7 - 8 years, except the COVID year, we have not worked for the last 5, 7 days. Again, let me confess. We have done offsites. RMs are outside, like we were in Vietnam.

Last year, we were in Thailand. So one will be take your suggestion very seriously. Rakesh sir has been very, very clear and mathematical because he comes from an FMCG background. He says, if you have clearly segmented your clients very well, you will be able to bring predictability in your business. So point taken, sir, if I give any comment, which is contrary to Rakesh sir's belief on this one, I will not have a job and Manas can save that money.

Sunil Shah:

Sure. I appreciate the thought. Just I was looking at the numbers, now we have almost 28%, 29% of our clients whose average ticket size is more than INR 50 crores and above. So INR 50 crores and above kind of a ticket size for a client is like an institution in itself, and that's almost 29% of our business.

So we have obviously migrated them for -- from being an HNI to an ultra HNI for sure. But we are currently doing similar kind of work. So that was the thought. That's the only piece which I wanted to share, Feroze...

Feroze Azeez:

Brilliant suggestion. Having known Rakesh sir's possessiveness in the segment we operate is why I said that's beyond my -- even commenting capability. That's how well he has governed

that one topic. And of course, it's a brilliant suggestion. I'm sure Rakesh sir will consider that. I was just saying that commenting there would be on record in line would be a bad thing.

But you're absolutely right. Now that you've alluded to the Platinum segment, and you also said that we have homegrown large clients. One thing which is changing dramatically is, I'm just telling a shareholder. Now quite a few large clients are going through our website and saying we want to reach out to you.

It is surprising that people with INR400 crores are reaching out, INR 500 crores. I did one meeting in Gurgaon. We had never seen these green shoots of people who need a service of wealth management reaching out to us and uncomplicated appealing to a large guy. That's one thing which I should say.

And when we actually started this Platinum segment, there were 32 clients or 33 clients when we identified this whole ballooning. Now we have almost about 211 families. And because you have a Platinum segment, quite a few people who are on the borderline are wanting to give us a little more money and come into the Platinum segment, which has got a strong proposition of generating 1 %, 1.5%, 2% extra Jensen's Alpha by using more concentrated finance.

Because we -- like you said, Jensen's Alpha, we use 3, 4 very publicly available Nobel Prize winning formula, be it the Black-Scholes pricing model, inefficient market theory and capital asset pricing model. We use these. So that is what is producing Jensen's Alpha rather than that.

So, more people are joining the Platinum segment and those who are on the borderline, some are in INR 35 crores and their INR 20 crores are out, they are saying I am ready to become your Platinum. So, you will see my projection of the platinum number of clients in the next 2 years is about 450 to 500. You're so right, we're already in the segment from a size standpoint. From a behavior standpoint, people behave very differently as a corporate entity.

We have -- I have gone to so many corporates and got them to redeem the liquid fund if the CXO was dealing with us and said that this is the corporate funds. So we will debate that, but this will not go by the wayside. I assure you, Sunil, sir.

Moderator: Next question comes from the line of Manav, an Individual Investor.

Manav: Congratulations on another great result. It's very evident that you are a people's company. Therefore, you've really contained the attrition. But it looks like last year, it's bumped up a little. I'm just trying to understand if that has any kind of impact on the business?

Feroze Azeez: I missed your name, sir.

Manav: Manav.

Feroze Azeez: Manav sir, you've identified rightly. In FY '24-25, we had two people leave. they had INR 295 crores of assets under management on the date of resignation. One resigned on 17th March. Last working day was 17th March 2025, and one guy had 30th December '24. These were the only 2

attritions in FY '25. And we retained INR203 crores out of the INR295 crores, which is 69%. Why am I going back to FY '24-25 because that's how we see it as a department.

So now in FY '25, '26, we had six people leave. And on the date of the -- seven people, I'm sorry, Vishal sir corrects my eyesight, which is so wrong, I'm having a sheet on in front of me. So seven people left and their AUM on the date of resignation had INR 1,212 crores. Without the market movement, we have INR 987 crores with us of the same families whom these seven were managing. So that is INR 987 crores is with us, so 81% retention. So 69% retention went to 81% client retention.

Clients in a wealth management outfit in my experience, leave for two reasons. One is product failures. Like in ABN AMRO, I sold a cinema fund. I lost three clients. I sold an art fund. I sold a wine fund. So selling products, sometimes which bomb, people leave. The other is RM attrition. RM attrition could create. So we have seven, but that's not a trend. We have some of them, like I told in the previous quarter were cultural misfits we had to let go. Some of them are actual genuine regret attritions. And is it a one-off? I guess it's a one-off, but 81% of those clients' assets are with us -- RM assets are with us without the AUM movement of market.

Moderator: Next question comes from the line of Rajat Patel with Arihant Securities.

Rajat Patel: I just wanted to ask because Anand Rathi Wealth has subscribed to the rights issue of ARGFL. Can you tell what is the ROE and capital adequacy ratio of this NBFC?

Feroze Azeez: Jugal sir can answer that.

Jugal Mantri: I don't have the P&L of Anand Rathi Global Finance handy right now. So what I suggest is, Vishal, please note down his number and the e-mail ID and share the same with him.

Feroze Azeez: Okay. One thing I can tell you, ARGFL is now in terms of -- okay, let me -- because provisional balance sheet, done. So please feel free to write to Vishal Ji. Because still not finalized the March balance sheet, I'm sure if otherwise, Jugal sir would have had it on fingertips. So I don't want to shoot jump to that.

Moderator: Next question comes from the line of Vikas Arora, an Individual Investor.

Vikas Arora: Sir, I'm asking if are we looking to open new branches in any particular geography.

Feroze Azeez: So we are looking at opening branches, yes. In fact, again, let me tell you, Rathi Ji has very good aspiration of having a greater footprint. If that is our Guru's aspiration, should we have more footprint? Yes. Where will we open branches, we will not open branches on the basis of opportunity only. We will open branches in those places where we have somebody to send back.

And I've said this in the previous calls, I'm again saying, let's assume if I was not the joint CEO. I could have worked from Mysore because Mysore is where my parents live. So if there are people who can go back to their towns and start units there because Feroze needs to understand Anand Rathi Wealth. Opening an office in Mysore, I can hire a few people from some banks, which operate there and start an office.

We are reluctant to do that. So in our 401 RMs, whoever has their ageing parents living in a city or comes from that city. So I can't tell you which locations. Of course, Rajesh Bhutara sir last time also corrected me saying that these are the other two units you opened. Rajesh ji, have we opened any other units in this quarter.

Rajesh Bhutara: No, sir. This quarter, no, we have not.

Feroze Azeez: So that's the principle, sir. Vikas, that's the principle on which we open. As of now, there is an office potential in most of the Tier 2, Tier 3 cities in India, getting 40, 50, 70 HNIs who are thinking like you, who are more mathematical about their money is not very difficult. But you need to have somebody who can de novo think like Anand Rathi Wealth of not selling multiple different innovative products, which are making my clients' money experimental.

Vikas Arora: Sir, do we look for a franchise partner or open on our own basis if we open a branch?

Feroze Azeez: Always own, sir. Managing culture on a franchise basis is, again, something which we very passionately feel about. No, it will always -- at least at this point in time, as a professional, I can say I don't see a franchise model for years, if not decades.

Moderator: Ladies and gentlemen, that was the last question for today. We have reached the end of the question-and-answer session. I would now like to hand the conference over to Mr. Feroze for closing comments. Mr. Feroze, please go ahead.

Feroze Azeez: Sorry, I was on mute unintentionally. Thank you, Renju. I'm very grateful to each one of you to join us consistently for the 18 quarters. And I'm very, very grateful for the suggestions and the questions which have some learnings for us in the process, extremely grateful to spend a Friday afternoon with us. Vishal Sanghavi is our Investor Relationship Head; and Rajesh Bhutara is our CFO. He is Rajesh Bhutara, again, whenever I mention Rajesh Bhutara, I like to highlight that he has finished 24 - 25 years in the group, and that's what the kind of understanding he has. So please write to them to get any questions answered. And thank you for all the wishes you gave for the good result. And please pray for us so that God is always with us and you. Thank you.

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