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ANANDRATHI
INVESTMENT SERVICES

Anand Rathi Share & Stock Brokers Ltd.

22nd September, 2025

IPO Details

IPO Date	September 23, 2025 to September 25, 2025
Face Value	₹5 per share
Price Band	₹393 to ₹414 per share
Lot Size	36 Shares
Sale Type	Fresh Capital
Total Issue Size	1,79,95,169 shares (aggregating up to ₹745.00 Cr)
Employee Discount	₹ 25
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	4,47,14,558 shares
Share Holding Post Issue	6,27,09,727 shares
QIB Shares Offered	Not more than 50% of the Net Issue
Retail Shares Offered	Not less than 35% of the Net Issue
NII (HNI) Shares Offered	Not less than 15% of the Net Issue
Retail (Min & Max) shares	36 Shares & 468 shares
Retail (Min & Max) application amount	14,904 & ₹1,93,752
S-HNI (Min shares & application amount)	504 shares & ₹2,08,656
S-HNI (Max shares & application amount)	2,412 shares & ₹9,98,568
B-HNI (Min shares & application amount)	2,448 shares & ₹10,13,472
Basis of Allotment	Fri, Sep 26, 2025
Initiation of Refunds	Mon, Sep 29, 2025
Credit of Shares to Demat	Mon, Sep 29, 2025
Listing Date	Tue, Sep 30, 2025
Cut-off time for UPI mandate confirmation	5 PM on Thu, Sep 25, 2025
Promoters	Anand Nandkishore Rathi, Pradeep Navratan Gupta, Priti Pradeep Gupta and Anand Rathi Financial Services Limited are the promoters of the company.
Registrar	MUFG Intime India Pvt.Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to their helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Anand Rathi Share & Stock Brokers Ltd. (ARSSBL) is an established full-service brokerage house in India with over 30 years of experience. They provide broking services, margin trading facility and distribution of financial products under the brand ‘Anand Rathi’ to a diverse set of clients across retail, high net worth individuals, ultra-high net worth individuals and institutions. Their investment offerings span across a wide array of asset classes like equity, derivatives, commodities, and currency markets. While their client base is spread across various age demographics, 186,859 of their Active Clients, representing 84.36% of their Active Clients, were above 30 years of age as on March 31, 2025.
Their 3 decades of track record, comprehensive product offerings, and focus on serving this key demographic, positions us for continued growth. They are a part of the Anand Rathi group which carries out a diverse range of financial services business through its group companies.
As of March 31, 2025, they offer broking and other financial services through (i) network of 90 branches spread across 54 cities in India; (ii) network of 1,125 Authorised Persons spread across 290 cities in India; and (iii) online and digital

ARSSBL’s revenue from operations grew by 49.34% YoY and PAT grew by 34.19% YoY in FY25.

Objects of the issue

- Funding long-term working capital requirements of our Company – Rs. 550 crore
- General Corporate Purposes – Rs. 195 crore

Financial Details

Particulars (Amount in Crores)	31-Mar-25	31-Mar-24	31-Mar-23
Interest Income	321.2	215.1	131.2
Fees and Commission Income	524.2	466.7	336.1
Revenue from Operations	**845.7**	**681.8**	**467.8**
Other income	1.3	1.5	0.9
Total Income	**847.0**	**683.3**	**468.7**
- Finance Costs	146.7	96.5	49.5
- Fees and commission expense	128.0	126.0	94.5
- Impairment on financial instruments	1.2	1.1	-
- Employee benefit expenses	272.5	214.8	169.1
- Depreciation and Amortisation Expenses	25.5	20.1	15.5
- Other expenses	132.7	109.3	89.1
Total expenses	706.6	567.9	417.7
EBITDA	**311.3**	**230.6**	**115.1**
EBITDA Margin (%)	**36.81%**	**33.82%**	**24.60%**
Profit/(Loss) before tax	**140.4**	**115.4**	**51.0**
Tax expense/(credit)	36.8	38.1	13.2
Profit/(Loss) After Tax	**103.6**	**77.3**	**37.7**
PAT Margin (%)	**32.26%**	**35.94%**	**28.77%**
Basic EPS (in Rs.)	**23.36**	**19.03**	**9.36**

Key Metrics	Mar-25	Mar-24	Mar-23
Total number of clients	8,86,644	7,58,214	6,69,602
Active Clients	2,21,510	1,75,699	1,54,470
Growth in Active Clients (%)	26.07%	13.74	-
ARPC (in Rs.)	29,347	30,922	26,012
Margin Trading Facility Book (in Rs. crore)	685.5	617.3	376.6
Strength of research team	59	47	37

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Competitive Strengths

- **The highest ARPC (Average revenue per client) amongst peer set:** As per CARE Report, they had the highest ARPC amongst peer set during Fiscal 2025. Their ARPC during Fiscals 2025, 2024 and 2023 was ₹ 29,347, ₹ 30,922 and ₹ 26,012 respectively. 1,30,502 of their Active Clients, representing 58.91% of their Active Clients, as of March 31, 2025 had a vintage of more than 3 years and 99,422 of their Active Clients, representing 44.88% of their Active Clients as of March 31, 2025 had a vintage of more than 5 years.
- **Strategic use of MTF Business to drive higher ARPC:** For clients using the margin trading facility (MTF), the number of active clients has steadily increased from 6,424 in Fiscal 2023 to 13,225 in Fiscal 2025. Revenue from these clients rose from Rs. 103 crore in 2023 to Rs. 261 crore in 2025. The average revenue generated per client also grew significantly during this period, moving from Rs. 1,60,918 in Fiscal 2023 to Rs. 1,97,490 in Fiscal 2025.
- **Full service brokerage house with diversified revenue streams:** Total revenue increased from Rs. 467 crore in 2023 to Rs. 845 crore in 2025. The broking segment remains the largest contributor, though its share decreased from 67.82% in 2023 to 60.34% in 2025. The non-broking segment and other income from operations both increased their shares over the years, with non-broking rising to 22.77% and other income to 16.89% by Fiscal 2025.
- **Pan India presence:** As of March 31, 2025 they offer their broking and other financial services through their (i) network of 90 branches spread across 54 cities in India; (ii) network of 1,125 Authorised Persons spread across 290 cities in India; and (iii) online and digital platforms, to retail, high net worth individuals, ultra-high net worth individuals and institutional clients.
- **Established brand with more than a 3 decade legacy:** They are a part of the Anand Rathi group, carrying out a diverse range of financial services business under its umbrella. The strength of the Anand Rathi group brand heritage is one of the key aspects of their competitiveness and has contributed to the recognition and growth of their business. The Anand Rathi group has presence in broking, wealth management, distribution, lending, insurance broking, asset management, investment banking, amongst other financial services which assists in business synergies across the group.

Key Risk Factors

- **Private Placement of NCDs and Regulatory Compliance:** ARSSBL conducted private placement offers of secured redeemable unlisted non-convertible debentures (NCDs) to select investors during Fiscal 2023, 2024, and 2025, assigning each offer a unique ISIN. Although some NCDs were resold soon after issue, the number of unique NCD holders under any single offer never surpassed 200 in any financial year, adhering to regulatory limits. An application has been filed for adjudication, and despite recent redemptions keeping holders below 200, the final outcome and possible penalties remain uncertain.
- **Strict regulated environment:** They are subject to extensive statutory and regulatory requirements and supervision. Any failure to comply with applicable law or changes in the regulatory framework could result in action being initiated against them by relevant authorities which may have a material adverse impact on their business, results of operations and financial condition.
- **Concentration of Broking segment and MTF Business revenue:** The company's revenue is heavily concentrated in just two segments: broking and related services, and interest on the margin trading facility book. Together, these segments accounted for nearly 74% of total revenue in Fiscal 2025, slightly down from about 79% in Fiscal 2023. This concentration exposes the company to significant risk if either segment faces downturns or regulatory pressures, revealing a narrow revenue base with limited diversification and potential vulnerability.
- **Heavy reliance on authorised persons:** ARSSBL is heavily dependent on their network of authorised persons, which brought in 25.38% of the revenue from operations in FY25, 27.65% in FY24 and 29..62% in FY23. While they enter into a prescribed contract with each of the Authorised Person associated with them, there can be no assurance that they will be able to retain the services of such Authorised Persons or that they will not terminate their association with them.
- **Legal cases:** One of their Group Companies, Anand Rathi Commodities Limited (ARCL), and one of their Promoter, Pradeep Navaratan Gupta, amongst others have been accused and summoned for predicate offences under the Prevention of Money Laundering Act, 2002. Any adverse outcome in these proceedings would have a material adverse effect on the reputation of the Anand Rathi group and which could in turn have a material adverse impact on their business.

Comparison with Listed Peers

Name of the Companies	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW	NAV (per Share)
ARSSBL	N.A	5.00	24.24*	17.07**	16.42**	23.12%	113.57
Peers:							
Motilal Oswal Financial Services	949.80	1.00	22.70	41.83	41.00	25.21%	185.73
IIFL Capital Services Limited	286.50	2.00	12.42	23.06	21.89	33.17%	80.98
Geojit Financial Services Limited	77.33	1.00	12.51	6.18	6.17	15.49%	44.57
Angel One Limited	2,263.80	10.00	17.40	130.05	126.82	7.78%	624.53

*P/E Ratio calculated based on upper band price.
** EPS calculated including fresh issue shares.

Summary

Anand Rathi Share & Stock Brokers Ltd. (ARSSBL), a well-established full-service brokerage firm in India with more than 30 years of experience, offers broking services, margin trading facilities, and distribution of financial products under the ‘Anand Rathi’ brand. Their clientele spans retail investors, high-net-worth individuals, ultra-high-net-worth individuals, and institutions. As of March 31, 2025, 186,859 of their Active Clients, accounting for 84.36% of the total, were above 30 years of age.

India’s broking industry is poised for robust expansion in the coming years, supported by multiple strong growth drivers and a favorable macroeconomic outlook. According to industry reports, the sector was valued at Rs. 52,000 crore in FY25 and is expected to register a CAGR of 16-18% over the next 2-3 years. This growth is propelled by rising retail investor participation, increasing financial literacy, and deeper penetration of digital trading platforms. Regulatory reforms, such as SEBI’s easing of margin requirements and focus on transparency, have fostered inclusivity and market efficiency.

The objectives of ARSSB IPO include funding the long-term working capital requirements of the company with an allocation of Rs. 550 crore, as well as supporting general corporate purposes amounting to Rs. 195 crore.

The company is launching its IPO at the higher end of the valuation spectrum, reflecting confidence in its robust business model and growth prospects. Notably, Anand Rathi boasts the highest ARPC among its peers, which highlights its strong client engagement and effective monetization strategies.

Therefore, it is recommended to **“Subscribe”** to the IPO for long-term investment, considering it’s valuation and growth potential.

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