



IPO Note

**ANAND RATHI
SHARE & STOCK
BROKERS LIMITED**

Sep 23nd, 2025

ANANDRATHI



Sep 23th, 2025**Details of the Issue**

Price Band	₹ 393 - ₹ 414
Issue Size	₹ 745 Cr
Face Value	₹ 5
Bid Lot	36
Listing on	BSE,NSE
Post Issue Mcap	₹ 2,596.18 Cr
Investment Range	₹ 14,148 - ₹ 14,904

Important Indicative Dates (2025)

Opening	23 - Sep
Closing	25 - Sep
Basis of Allotment	26 - Sep
Refund Initiation	29 - Sep
Credit to Demat	29 - Sep
Listing Date	30 - Sep

Lead Manager

Nuvama Wealth Management Ltd

DAM Capital Advisors Ltd

Anand Rathi Advisors Ltd

Offer Details

Offer Size	₹ 745 Cr
Fresh Issue	₹ 745 Cr
OFS	-

Type	In Rs Cr	No of Shares (Mn)		% of Issue
		Upper	Lower	
QIB	372.5	8.99	9.48	50
NII	111.75	2.69	2.84	15
Retail	260.75	6.29	6.63	35
Em-ploy.	-	-	-	-
Total	745	17.99	18.95	100

Invest Now**Company Profile**

Anand Rathi Share and Stock Brokers Ltd. is a well-established full-service brokerage house in India, operating under the brand 'Anand Rathi'. The company offers a comprehensive suite of services including broking, margin trading facilities, and the distribution of financial products, catering to a diverse clientele comprising retail investors, high-net-worth individuals (HNIs), ultra-HNIs, and institutions. Its investment offerings span across multiple asset classes such as equities, derivatives, commodities, and currencies. As of March 31, 2025, the company had 186,859 active clients above 30 years of age, representing 84.36% of its total active client base. Anand Rathi Share and Stock Brokers Ltd. forms an integral part of the Anand Rathi Group, which provides a broad spectrum of financial services through its group companies, reinforcing its position as a trusted player in the Indian capital markets.

GEPL's Insights & Investment Thesis:

- Anand Rathi Share and Stock Brokers Ltd has the highest Average Revenue Per Client (ARPC) amongst its peers in the broking industry in FY25, supported by strong vintage clientele and personalized client management approach.
- The company demonstrated a strong financial performance with Revenue/EBITDA/PAT growing at a CAGR of 34%/65%/66% between FY23-25.
- Based on the FY25 earnings, relative to the company's post-IPO paid up capital, the issue is priced at a P/E ratio of 25.1x. We believe that the issue is fairly priced to its peers, delivered healthy financial performance, highest ARPC, and has a diversified business model. Therefore, we recommend a "Subscribe" rating for the issue.

Business Highlights & Services

The company delivers broking and allied financial services through a multi-channel network comprising: 90 branches across 54 cities in India, 1,125 Authorised Persons (agents appointed with approval from relevant stock exchanges) operating in 290 cities, and robust online and digital platforms. This integrated presence across Tier 1, Tier 2, Tier 3, and other cities enables the company to effectively service a diverse and growing client base. Its offerings are broadly categorized as follows:

Broking Services: The company provides broking services to retail clients, high-net-worth individuals (HNIs), ultra-HNIs, and institutional investors across multiple asset classes, including equities, derivatives, commodities, and currencies. These services are delivered through branches, Authorised Persons, and digital platforms, enabling clients to trade in equities (cash-delivery, intraday, futures, and options), as well as in commodity and currency markets. The company places strong emphasis on cash-delivery and intraday trading and also offers algorithmic trading facilities to automate transactions in line with client strategies.

Margin Trading Facility: The company extends margin trading facilities that allow clients to leverage eligible collaterals for funding their trading requirements in the equity cash delivery segment.

Distribution of Investment Products: The company 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. These are offered through a combination of its relationship management team and digital platforms.



The company's diversified investment solutions—comprising broking and related services, margin trading facilities (MTF), and distribution of investment products, enable effective cross-selling and help increase wallet share from clients. The company aims to significantly scale its MTF business, given its potential to enhance client stickiness, consolidate client investments, and drive higher average revenue per client. Strong demand for MTF continues to be witnessed across a broad segment of the existing client base. To support this growth, a portion of the Net Proceeds is proposed to be deployed towards meeting the company's long-term working capital requirements. In addition, the company sees a substantial opportunity to cross-sell complementary investment solutions, thereby further improving client engagement and revenue metrics. By offering a comprehensive suite of investment solutions, the company seeks to strengthen client convenience, deepen relationships, and enhance overall loyalty.

The company's strategic focus is on expanding its client base, particularly among individuals with high disposable income, investible surplus, and savings. To achieve this, it intends to adopt a multi-channel growth approach that combines digital initiatives with an enhanced physical presence. On the digital front, the company plans to leverage web and mobile-based trading platforms, social media engagement, and targeted digital marketing campaigns to attract and service clients. A key priority is acquiring new clients through digital channels, with a strong emphasis on younger demographics in Tier 2, Tier 3, and other emerging cities. Complementing this digital strategy, the company also aims to expand its physical footprint by forging strategic partnerships with Authorized Persons and establishing new branches in locations that demonstrate strong potential for higher average revenue per client.

Key Performing Indicators

Particulars	FY25	FY24	FY23
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 (%)	26.1%	13.7%	
Active clients as a % of Total number of clients	25.0%	23.2%	23.1%
Average Revenue Per Client	29,347	30,922	26,012

Broking and Non-broking Segment Revenue Break-up

Particulars (in cr)	FY25		FY24		FY23	
	Revenue	%	Revenue	%	Revenue	%
Broking Segment	510	60.3%	458	67.1%	317	67.8%
Non-Broking Segment	193	22.8%	132	19.4%	105	22.4%
Other income from operations	143	16.9%	92	13.4%	46	9.7%
Total Order Book	846	100%	682	100%	468	100%

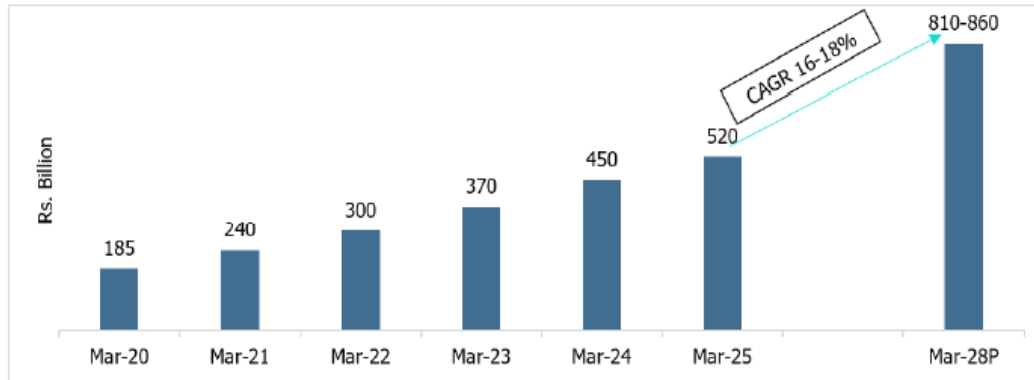
Clients using Margin Trading Facility (MTF)

Particulars	FY25	FY24	FY23
Active Clients using MTF			
No. of Active Clients	13,225	9,480	6,424
Average Revenue Per Client (ARPC)	1,97,490	1,94,783	1,60,918
Active Clients not using MTF			
No. of Active Clients	2,08,285	1,66,219	1,48,046
Average Revenue Per Client (ARPC)	21,206	24,394	21,539



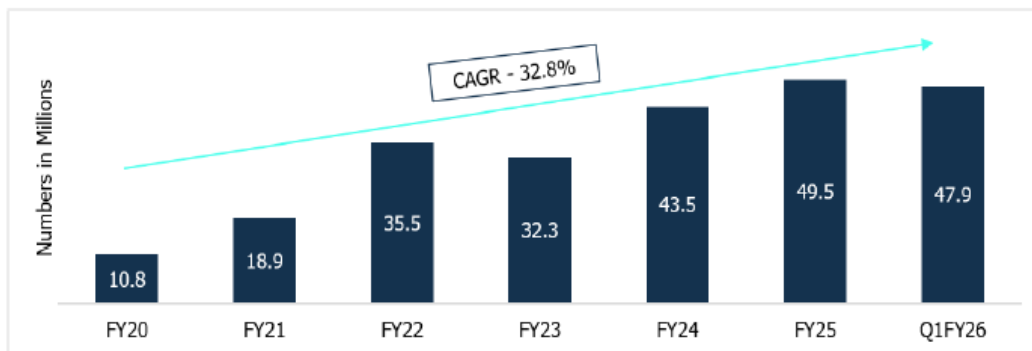
Industry Outlook

Size of Broking Industry in India



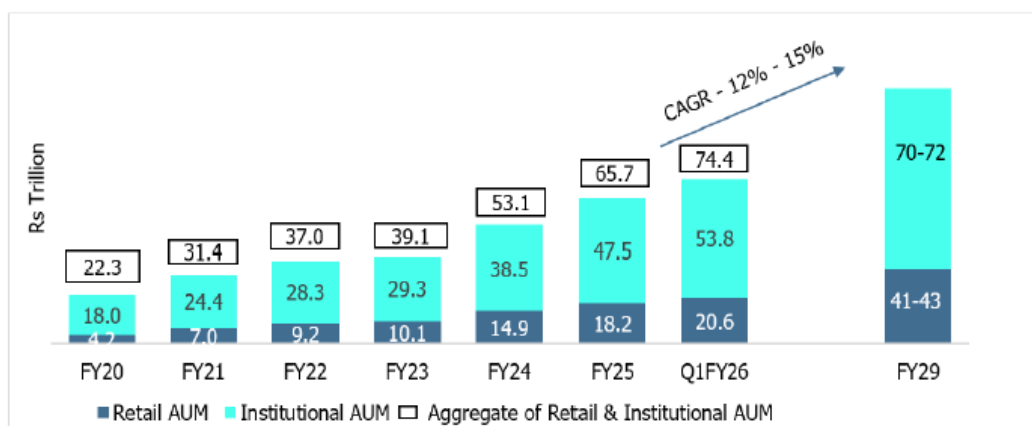
Source: CareEdge Research Estimates

Number of Total Active Accounts in India (in Million)



Source: NSE, CareEdge Research

Growth in Domestic Mutual Fund Industry AUM and outlook



Source: AMFI, CareEdge Research

Note: AUM as of the last day of the month; FY - financial year ended March



Peers Comparisons

Name of the company	Face Value (₹)	Total Revenue (In Cr)	EPS	NAV (₹)	P/E (x)	RoNW(%)
Anand Rathi Share and Stock Brokers Ltd	5	847.0	22.46	113.57	NA	23.12
Peers Group						
Motilal Oswal Financial Services Ltd	1	8,417.2	41.00	185.73	20.91	25.21
IIFL Capital Services Ltd	2	2,567.4	21.89	80.98	13.49	33.17
Geojit Financial Services Ltd	1	749.3	6.17	44.57	11.53	15.49
Angel One Ltd	10	5,247.7	126.82	624.53	17.42	7.78

Company's Competitive Strength

- The highest ARPC amongst peer set.
- Strategic use of MTF Business to drive higher ARPC.
- Full service brokerage house with diversified revenue streams.
- Pan India presence combined with robust digital capabilities for client acquisition and servicing.
- Established brand with more than a 3 decade legacy backed by experienced Promoters and a strong management team.
- Strong track record of financial performance and consistent growth.

Key Strategies Implemented by Company

- Focus on improving average revenue per client by increasing client wallet share through cross selling varied investment solutions.
- Increasing our geographical footprint as well as augmenting our client base.
- Investing in Technology to Drive Business Excellence.
- Attracting and retaining relationship managers to ensure continued growth.

Particular (INR in Cr)	FY25	FY24	FY23
Equity Capital	22	22	20
Reserves and Surplus	482	370	245
Net Worth	504	393	265
Revenue	846	682	468
Growth (%)	24%	46%	
EBITDA	311	231	115
EBITDAM (%)	36.8%	33.8%	24.6%
PAT	104	77	38
PATM (%)	12.3%	11.3%	8.1%
ROE (%)	23.1%	23.5%	15.3%
ROCE (%)	21.3%	21.5%	16.7%



Notes

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