Gateway to your Financial Goals

IPO NOTE

Anand Rathi Share and Stock Brokers Ltd. ‘SUBSCRIBE’ 23-09-2025 TO 25-09-2025

Industry: Stock broking / Financial services
Recommendation: Subscribe for long term

Price Band: ₹393 to ₹414
Post Implied Market Cap: ₹ 2,503 Cr - ₹2,597 Cr

Key Data

Issue Size (₹ Cr)	₹745.00
Fresh (₹ Cr)	₹745.00
OFS (₹ Cr)	-
No of shares offered (total issue)	1,79,95,169
Face Value (₹ /share)	5
Bid Lot	36 Shares

Indicative Timetable

IPO Open Date	Tue, Sep 23, 2025
IPO Close Date	Thu, Sep 25, 2025
Tentative Allotment	Fri, Sep 26, 2025
Initiation of Refunds	Mon, Sep 29, 2025
Credit of Shares to Demat	Mon, Sep 29, 2025
Tentative Listing Date	Tue, Sep 30, 2025
Cut-off time for UPI mandate confirmation	5 PM on Thu, Sep 25, 2025

Shareholding (No. of shares)

Pre-Issue	4,47,14,558
Post-Issue	6,27,09,727

Issue Breakup

QIB	50%
NII	15%
Retail	35%

Shareholding Pattern

	Promoter	Public
Pre-Issue	98.06%	1.94%
Post-Issue	69.90%	30.10%

Other Details

BRLMs: Nuvama Wealth Management Limited, DAM Capital Advisors Limited, Anand Rathi Advisors Limited
Registrar: MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)
Listing: BSE & NSE

Research Analyst

Anshul Jain
Anshul.Jain@lakshmishree.com
8767231444

About the company

Anand Rathi Share and Stock Brokers Ltd. is a well-established and trusted financial services firm in India, operating as part of the broader Anand Rathi Group. Founded in 1994, the company offers a comprehensive suite of financial products and services, including broking, margin trading, and the distribution of various investment products like mutual funds, bonds, and structured products.

With a widespread physical presence through branches and a network of authorized partners, complemented by robust digital platforms, Anand Rathi caters to a diverse clientele ranging from retail investors to high-net-worth individuals (HNIs) and institutional clients.

Investment Rationales

Diversified Business Model: The company has multiple revenue streams from broking, margin trading, and distributing various financial products, which provides stability and reduces reliance on a single source of income.

Strong Research and Client Focus: Anand Rathi leverages its research team to provide expert guidance and build long-term relationships with a diverse client base, from retail to institutional investors.

Hybrid Business Model: The firm combines a widespread physical presence with robust digital platforms, catering to clients across India while also embracing modern technology for a seamless user experience.

Positive Financial Performance: The company has shown consistent growth in key metrics like revenue, profitability, and client base, indicating strong operational efficiency and a solid market position.

Strategic Market Position: Anand Rathi is well-positioned to capitalize on the growing financialization of savings in India by focusing on high-growth segments like wealth management and broking for HNIs and retail investors.

Risk

High working capital requirements: Primarily utilized for MTF, trade receivables and other balances with banks.

Competition faced in Indian broking industry: There are almost 4,895 SEBI registered brokers under the equity segment.

Our views

We believe the Anand Rathi Share and Stock Brokers Ltd. offers investors an opportunity to participate in a well-established and diversified player within India's high-growth financial services sector. As a leading full-service broking house with a pan-India presence and a strong client base, the company is well-positioned to capitalize on the increasing financialization of savings and rising retail participation in the Indian equity markets.

The company has demonstrated impressive financial growth, with revenue from operations increasing to ₹845.70 Cr and Profit After Tax (PAT) growing to ₹103.61 Cr in FY25. Valuation wise, with a price-to-earnings (P/E) ratio between ~18x to ~20x based on FY25 earnings, appears reasonably priced compared to some peers, making it an attractive proposition for long-term investors.

However, investors should be mindful of the intense competition from discount brokers and the inherent volatility of the capital markets, which could impact the company's performance. The entire issue is a fresh issue, with proceeds earmarked for working capital and general corporate purposes, which is a positive sign. We recommend that investors with a medium to long-term investment horizon looking for exposure to the broking and financial services sector SUBSCRIBE to the Anand Rathi Share and Stock Brokers IPO.

CONSOLIDATED FINANCIALS – BASIC FINANCIAL DETAILS

Financial Performance Indicators	Units	Fiscal 2023	Fiscal 2024	Fiscal 2025
Revenue from Operations	in Cr.	467.83	681.79	845.70
Growth in Revenue from Operations	%	-	45.74%	24.04%
EBITDA	in Cr.	115.07	230.58	311.27
EBITDA Margins	%	24.60%	33.82%	36.81%
PAT	in Cr.	37.75	77.29	103.61
PAT Margins	%	8.05%	11.31%	12.23%
ROE	%	15.32%	23.50%	23.12%
ROCE	%	16.72%	21.48%	21.32%
Revenue Mix (Segment Wise)				
Broking and related services	in Cr.	317.27	457.81	510.27
Interest on Margin Trading Facility	in Cr.	54.22	75.93	114.28
Distribution	in Cr.	50.77	56.39	78.31
Other Income from Operations	in Cr.	45.57	91.66	142.84
Revenue from Operations Mix				
Revenue from own branches	in Cr.	283.71	401.63	488.21
Revenue from Authorised Persons (B2B channel)	in Cr.	138.55	188.51	214.65
Operating Performance Indicators	**Units**	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**
Total number of clients	in units	669602	758214	886644
Active Clients	in units	154470	175699	221510
Growth in Active Clients	%	-	13.74%	26.07%
Active clients as a % of Total number of clients	%	0.23%	0.23%	0.25%
ARPC	in ₹	26012	30922	29347
Margin Trading Facility Book	in Cr.	376.64	617.29	685.51
Growth in Margin Trading Facility Book	%	-	63.90%	11.05%
Total Assets Under Distribution				
Mutual Funds	in Cr.	2657.55	3961.46	4949.45
Portfolio management services and AIFs	in Cr.	499.65	943.13	1510.38

Source: Company RHP

Anand Rathi Share and Stock Brokers Ltd. IPO Peer Comparison

(As on March 31, 2025)

Company Name	EPS (Basic)	EPS (Diluted)	NAV (per share) (Rs)	P/E (x)	RoNW (%)	P/BV Ratio	Financial statements
Anand Rathi Share and Stock Brokers Limited	**23.36**	**22.46**	**113.57**	**18.43**	**23.12**		**Consolidated**
Motilal Oswal Financial Services Ltd.	41.83	41	185.73	20.91	25.21	4.63	Consolidated
IIFL Capital Services Limited	23.06	21.89	80.98	13.49	33.17	3.69	Consolidated
Geojit Financial Services Ltd	6.18	6.17	44.57	11.53	15.49	1.61	Consolidated
Angel One Limited	130.05	126.82	624.53	17.42	7.78	0	Consolidated

Notes:
Financial information of the Company has been derived from the Restated Consolidated Financial Information.
All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2025 available on the website of the stock exchanges or the Company.
P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on NSE Limited ("NSE") as on August 29, 2025 divided by the diluted earnings per share for the year ended March 31, 2025.
P/E Ratio of Anand Rathi Share and Stock Brokers Ltd. Is implied and not actual.
Return on Net Worth (%) is ratio of profit after tax f,or the relevant period to Average Total Equity for the relevant period.
Net asset value per equity share (book value per equity share) is calculated by dividing Total Equity of the company as of the last day of the relevant period by the total number of issued and subscribed equity shares outstanding as of the last day of the relevant period.

Disclaimer & Disclosure

This Report is published by Lakshmishree Investment & Securities Limited (hereinafter referred to as "LISL") for registered client circulation only. LISL is a registered Research Analyst under SEBI (Research Analyst) Regulations, 2014 having Registration no. INH00014395. LISL is a registered broker with the Securities & Exchange Board of India (SEBI) and registered with National Stock Exchange of India Limited and BSE Limited in cash and derivatives segments, Multi Commodity Exchange of India (MCX), and is Depository participant with Central Depository Services Limited (CDSL), and also member of Association of Mutual Funds of India (AMFI) for distribution of financial products.
LISL a "Research Entity" under SEBI (Research Analyst) Regulations 2014 has independent research teams working with a Chinese wall rule with other business divisions of LISL as mentioned above.

LISL or its associates have not been debarred / suspended by SEBI or any other regulatory authority for accessing / dealing in securities Market. LISL, its associates or Research analyst or his relatives do not hold any financial interest in the subject company. LISL or its associates or Research analysts do not have any conflict or material conflict of interest at the time of publication of the research report with the subject company. LISL or its associates or Research Analyst or his relatives do not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.
LISL or its associates or Research analyst has not received any compensation / managed or co-managed public offering of securities of the company covered by Research analyst during the past twelve months. LISL or its associates have not received any compensation or other benefits from the company covered by Research analyst or third party in connection with the research report. Research Analyst has not served as an officer, director or employee of Subject Company and LISL / Research analyst has not been engaged in market making activity of the subject company.

This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you. LISL is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader. This research has been prepared for the general use of the clients of LISL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. LISL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject LISL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. LISL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. LISL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.
This information is subject to change without any prior notice. LISL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, LISL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of LISL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither LISL, nor its directors, employees, or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.
Analyst Certification: Research Analyst the author of this report, hereby certify that the views expressed in this research report accurately reflects my personal views about the subject securities, issuers, products, sectors or industries. It is also certified that no part of the compensation of the Research Analyst was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research. The Research Analyst is principally be responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

CIN No U74110MH2005PLC157942 | BSE-3281| NSE-12817 | MCX-55910 |DP:IN-DP-CDSL-490-2008 | DPID:12059100|

SEBI Regn. No.: INZ000170330 | Mutual Fund: ARN-77739 | Research Analyst: INH000014395

Registered Office:

Unit No 407, IV Floor, Marathon Icon, Ganpat Rao Kadam Marg, Lower Parel West, Mumbai 400013
Contact No: (022) 43431818

Corporate Office:

Shree House C-29/61-5 Teliyabag Varanasi, UP 221002
Contact No: (0542) 6600000

Email: info@lakshmishree.com, Website: www.lakshmishree.com
Compliance Officer: Abhishek Sharma
Email Id: compliance@lakshmishree.com
Phone No +91 92353 95868