ANANDRATHI

July 20, 2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Scrip Code: 544530

To,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051
Symbol: ARSSBL

Dear Sir/ Madam,

Subject: Earnings Conference Call Transcript for the First Quarter Ended June 30, 2026 held on July 15, 2026

Dear Sir/Madam,

This is in continuation to our letter dated July 15, 2026, wherein we had informed regarding the audio link of the earnings call with analysts/investors for the first quarter ended June 30, 2026. In this regard, we are enclosing herewith copy of the earnings conference call transcript for the first quarter ended June 30, 2026, held on July 15, 2026.

The transcript is also available on the Company's website at https://anandrathi.com/investors

We request you to kindly take the above on record.

Thanking you.

Yours faithfully,
For **Anand Rathi Share and Stock Brokers Limited**

Chetan Pravin Prajapati
Digitally signed by Chetan Pravin Prajapati
Date: 2026.07.20 18:08:10 +05'30'

Chetan Prajapati
Company Secretary and Compliance Officer
Membership No.: A39130

Enclosed: As above

"Anand Rathi Share and Stock Brokers Limited

Q1 FY 27 Earnings Conference Call"

July 15, 2026

MANAGEMENT:	**MR. PRADEEP GUPTA – CHAIRMAN AND MANAGING DIRECTOR – ANAND RATHI SHARE AND STOCK BROKERS LIMITED** **MR. ROOP KISHOR BHOOTRA – WHOLE-TIME DIRECTOR – ANAND RATHI SHARE AND STOCK BROKERS LIMITED** **MR. TARAK SHAH – CHIEF FINANCIAL OFFICER – ANAND RATHI SHARE AND STOCK BROKERS LIMITED**
MODERATOR:	**MR. CYRIL PAUL – EY**

Moderator: Ladies and gentlemen, good day and welcome to the Anand Rathi Share and Stock Brokers Limited Q1 FY27 Earnings Conference Call hosted by EY. 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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Cyril Paul from EY. Thank you and over to you, sir.

Cyril Paul: Thank you, Swapnali. Good evening everyone and welcome to the Q1 FY27 earnings call of Anand Rathi Share and Stock Brokers Limited. The company has published its results and uploaded the investor presentation on the exchanges yesterday and you can also find them on the company's website.

Before we start, a disclaimer: some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which can cause actual results to differ from those anticipated. Such statements are made on management beliefs and assumptions based by information currently available to the management. Audiences are cautioned not to place undue reliance on these forward-looking statements while making their investment decisions.

And on that note, let me introduce you to the management. We have with us Mr. Pradeep Gupta, Chairman and Managing Director; Mr. Roop Kishor Bhootra, Whole-Time Director; Mr. Tarak Shah, Chief Financial Officer; and other members of the team. Without further ado, I'd like to hand over the call to Mr. Gupta for his opening remarks. Thank you and over to you, sir.

Pradeep Gupta: Thank you, Cyril. Good evening to all of you and a warm welcome to our first earnings call for the new financial year. FY27 has commenced against a backdrop of both challenges and opportunities. The Indian equity markets navigated a complex operating environment during Quarter 1 FY27, shaped by heightened geopolitical tensions, global macroeconomic uncertainties and elevated volatility.

The West Asia crisis and the sustained uncertainty around the Strait of Hormuz led to a temporary spike in crude oil prices, exerting second-order pressure on input costs across industries globally and contributing to currency volatility. Foreign outflow continued through the quarter totaling roughly about ₹1.43 lakh crores across April-June quarter compared with the ₹1.31 lakh crores during Jan-March 26 quarter.

India's monsoon began with a sharp 40% rainfall deficit in June due to El Niño, though early July has seen a recovery that has narrowed the shortfall to around 20% below normal, supporting a catch-up in Kharif sowing activity. While these developments weighed on risk sentiment and kept investors cautious, the Indian economy and capital markets have continued to demonstrate remarkable resilience, supported by strong domestic liquidity, healthy macroeconomic fundamentals and sustained participation from domestic investors.

This confidence was reflected in the market performance with benchmark indices gaining roughly about 6% to 7% sequentially. Retail investors continue to participate in the capital market story, as demonstrated by India's demat account base increased to 23 crores in June. Also the mutual fund industry, yet another barometer of investor sentiment, continued its strong growth trajectory with industry AUM reaching to ₹82.2 lakh crores in June 26 from ₹73.73 lakh crores in March 26, highlighting continued investor preference for market-linked saving avenues.

This is also sustained with new SIP additions during the June month touching to about 66 lakh compared to 53 lakh during month of March. It is encouraging to note that this positive sentiment was not limited to investors alone. Corporate India also continued to demonstrate confidence in the capital market as reflected in a strong pipeline of about 42 companies filing draft offer documents with SEBI during the quarter, reaffirming the continued attractiveness of Indian capital market as a platform for growth and capital formation.

It is pertinent to note that the broking industry is transitioning into a phase of more measured activity following the exceptional growth witnessed over the last few years. While the investor base continued to expand, accompanied with growth in cash market turnover sequentially by roughly about 13%, moderation is seen in the trading activity in the derivative segment, indicating the incremental participation is increasingly being driven by long-term investing rather than purely trading-led activities.

A key driver of this transition has been the evolving regulatory framework. Both SEBI and the RBI have been taking a series of calibrated measures aimed at strengthening market resilience, improving risk discipline, reducing excessive leverage and enhancing investor protection within the financial system.

SEBI's measures in the equity derivative segment, including upfront collection of option premium, tighter expiry day margin treatment, enhanced intraday position monitoring, higher contract sizes and rationalizing of weekly expiries are aimed at curbing excessive speculative activities and improving investor protection. In parallel, the RBI's revised capital market exposure framework, now effective from July 1st, 2026, introduces a more principle-based approach to bank lending to capital market intermediaries, resulting in increase in the working capital significantly.

Now speaking about our company, I am happy to report that our business model remains well aligned to the evolving regulatory environment. With our focus strategy centered around maintaining a diversified revenue mix and a strong focus on client-led businesses, we believe we are well poised to navigate these changes while continuing to create long-term value for our stakeholders.

The effectiveness of this strategy is clearly reflecting in our financial metrics. During the quarter, our total revenue from operations for the quarter stood at about ₹2,461 million, representing a growth of 22.37% Y-o-Y. EBITDA grew by 30.19% to ₹973 million, translating into a healthy EBITDA margin of 39.54%. And PAT before exceptional items grew by almost 71.2% to ₹391 million, translating to PAT margin (before exceptional item) before exceptional item of 16%.

Our asset under custody stood at about ₹1.13 lakh crores, representing an annual growth of about 21.44% from Q1 FY26. Our MTF book stood at ₹13,318 million with a strong rise of about 55% from last year, while the distribution AUM, which gives us a long trail income, reached to ₹94,791 million, growing by about 25.82% Y-o-Y. Encouragingly, the expanding asset base has been complemented by healthy levels of client activity.

During this quarter, we have recognized an exceptional expense of about ₹209.96 million towards the restoration of securities of two of our clients in depository segment businesses who suffered losses due to fraudulent off-market transfer from their demat account. The aforesaid amount includes the contingent liability disclosed in previous quarter, which has now been recognized as expense along with the impact of fraud identified during the current quarter in continuation to previous fraud.

We have reported the incident to relevant authorities, including the depositories and stock exchanges, and has also lodged an FIR with Economic Offence Wing. The matter is currently under investigation with the relevant authorities. Nevertheless, as a matter of prudence and pending outcome of investigation, we have recognized the related outflow as of exceptional expense in the current quarter. We further state that the EOW has traced the money trail and has attached certain assets and bank accounts of the beneficiaries of fraudulent transactions. Further we have filed insurance claim to recover the eligible losses incurred. Any recoveries from such claim or through legal proceedings will be accounted for as and when the realization becomes reasonably certain.

To further strengthen our internal control and processes, we have also hired an external consultant to have their valuable input and to incorporate the same wherever required to ensure such incidents do not occur in future.

Going ahead, we expect our MTF book to reach around ₹1,750 crores to ₹1,800 crores by end of this financial year, while distribution AUM is targeted to scale by 40%, driven by higher wallet share of existing client and disciplined risk management. As guided earlier, we will continue to move towards maintaining a 50-50 mix between our broking and non-broking income, despite active growth in both the businesses.

Another key priority is to deepen our client engagement through enhancing our digital platform, which now offer real-time data, advanced analytics and simplified portfolio tracking. We will focus on AI-led insights to enable a full end-to-end digital onboarding and transaction ecosystem, supported by deep integration with India's digital public infrastructure such as UPI, Account Aggregator framework and eSign and DigiLocker.

We believe these initiatives will further strengthen our client franchise, improve scalability and position us well to capture the next phase of growth. Before I conclude, I would like to take this opportunity to thank all our stakeholders, shareholders for their participation in the first Annual General Meeting post listing and for their continued trust, encouragement and support.

With that, I would like now to hand over the call to Mr. Roop Bhootra, our Whole-Time Director, who will take you through the financial and business performance in detail.

Roop Bhootra: Thank you, Pradeep ji. Good evening everyone. I will give you a quick snapshot on the financial performance of first quarter financial year '27. As mentioned by Pradeep ji, our total revenue for the quarter stood at ₹2,461 million, reflecting a growth of 22% on a year-on-year basis, driven by growth in both broking and non-broking segments.

On the profitability front, EBITDA for the quarter stood at ₹973 million, translating into an EBITDA margin of 39.54%, while PAT (before exceptional item) came in at ₹391 million, growing by 71.22% year-on-year basis, with a PAT margin (before exceptional item) of 16% and PAT (after exceptional item) is ₹233.51 million, growing by 2.35% Y-o-Y basis, with a PAT margin (after exceptional item) of 9.49%.

At segmental level, our revenue mix during the quarter remained well balanced, with 52% contributed by the broking business, 29% by the non-broking segment comprising of MTF plus distribution, while remaining from other income. We continue to consistently focus on maintaining a near 50-50 mix over the medium terms, thereby reducing the impact of market volatility in the broking business on overall top line and ensuring greater stability and predictability of earnings.

Within this framework, our broking income stood at ₹1,280 million, of which 51% came from equity cash segment, which is our core focus area. In the non-broking segment, interest income from our MTF book contributed ₹428 million, while income from distribution stood at ₹ 275 million.

Revenue from broking and related services has increased by approximately 7% on quarter-on-quarter basis and MTF book and distribution AUM has increased by approximately 22% on quarter-on-quarter basis.

During the quarter, our external credit rating was upgraded to A1+ for short-term bank facilities and were assigned a credit rating of A+ for long-term bank facilities. Our debt-equity ratio stands at 0.81 as of 30th June, which enables to increase our borrowing limit at reasonable cost.

At the same time, we continue to invest in building our human capital, which remains a key differentiator for us. Our employee base has grown to 2,263 during the quarter, up from 2,148 in quarter 1 FY26, reflecting our continued focus on strengthening execution capabilities and supporting long-term growth.

Equally, the strength of our franchise is reflected in the longevity of our client relationships. Approximately 57% of our clients have been associated for over 3 years, underscoring strong client stickiness and trust in our platform. Overall, the quarter reflects the strength and resilience of our business model while the operating environment remains dynamic. We believe our diversified approach positions us well to navigate near-term challenges and capture emerging opportunities.

We are now open to any questions you may have.

Moderator: Thank you very much. We will now begin the question and answer session. We will take the first question from the line of Nachiket Kale from NK. Please go ahead.

Nachiket Kale: Yes, hi. Good evening, sir. Thanks for the opportunity. And also thankful for the insightful opening remark. It's good to know that you have also expanded your team and the employee count has gone up. So carrying on that front, just a macro question, what is your general outlook on the capital market overall, given that the volatility we've seen and the regulator curbs on F&O? And coupled with that, on the retail front, we've delivered grew, commendable non-broking growth. So could you please comment further on what is the strategy and outlook on that?

Pradeep Gupta: Thank you for the question. Just to address over here, in my opinion and we believe that future for the capital market is definitely good and we believe there is going to be a constant growth going to happen going forward. I personally feel next 3 years are going to be good at least in in in coming days.

Though we are seeing intermittently, there are concerns because of geopolitical reason or otherwise, but I personally feel that the GDP growth which is happening in our country is going to take you to a different level. And probably now the valuations are at a space where probably, people will again start looking at.

So whatever FII outflow we have seen, we have already, experienced in in later days, in initial days of July first week, I think that have mellowed down to a great extent and over a period of time I think this may become positive. So I personally feel that market, capital market conditions are good and it's good for, broking industry and capital market related activities also.

Now in terms of our, overall strategy, we have been constantly talking that pure broking businesses are obviously susceptible to the volatility because of a simple reason market, capital market, more specifically broking side, had got an volatility on a short-term basis. To reduce that volatility from our earnings, we have, taken a route to go for a non-broking side, which consists of all the distribution of financial products as well as margin trading funding book. And that's where we are constantly looking at it. And as a result, we have already reached to somewhere around ₹9,500 crores kind of a asset under management in our distribution book.

And if you really look at it, our MTF, book which we where we have already reached to somewhere around ₹1,330 crores. So, I think and then, and our focus is constantly there. We believe that there is going to be a growth consistently coming or happening on a distribution side and we believe we are going to grow on a distribution side by about 40%.

In terms of our MTF book. This is also a part of how much capital you can infuse and how much free capital or liquid capital is available with you or how you can probably raise the funds and probably put that capital for funding side. But this year we are aiming to reach to somewhere around ₹1,750 crores to ₹1,800 crores kind of a MTF book from presently ₹1,330 crores kind of a book. So that's what the status is and we believe that this is going to constantly grow in near future also.

Nachiket Kale: Right, but sir, in the grand scheme of things, what is the risk management approach towards MTF because, we've seen across the industry MTF volumes are picking up majorly once the F&O curbs came in. So, people are looking at it to leverage for maximum gain, but the reverse is also true. So, what is the risk management approach towards that?

Pradeep Gupta: So, you are absolutely right, this book is susceptible to risk, but it all depends how you are trying and managing your risk. So, I mean, we have done two-three things. One is we are not providing. This MTF book is not being allocated by anyone towards F&O side. This is largely for a cash market transaction. So, there is a security of cash market.

And internally what we have done that we have segregated and whatever about 2,000 plus kind of a scrips are available for MTF book side and we have selected and chosen certain amount of securities within our selection criteria and we are funding and financing against only those kind of a securities.

And again, if you really see our book position, our large portion of book position is below ₹1 crores. That says that we are not taking a concentrated effort on a specific customer base. Similarly, we are also not -- we have created a various different parameters, that is where our concentration on one specific scrip is not happening and we are also not giving funding or financing or MTF loan to the customer beyond a individual specific limit being set by us.

So, these are few of our internal control which we have put in and as a result, you will be happy to note that we have been working in this space since 2017 and there is not a single paisa or pie is being lost or we have seen any kind of a delinquencies in our, this MTF book. So yes, it all depends on management and we are doing and our risk management is quite capable to control all the risk which may or which can happen in this particular book.

Nachiket Kale: Okay, great. Thanks, sir. That's all from my side. Thank you.

Moderator: Thank you. We will take the next question from the line of Yash Jhurani from Qode Advisors. Please go ahead.

Yash Jhurani: Hello, am I audible?

Moderator: Yash, you're audible.

Pradeep Gupta: Yes, you're audible, Yash.

Yash Jhurani: So, I just had two small questions. One was on the MTF loan book which grew around 21% this quarter, but interest earned on it stayed kind of flat and like I just wanted to know why is that? And is the MTF rate coming down overall in the industry or it did the loan growth say generally happened in the last quarter? So that was the first question.

And the second one being, most of our clients are older and loyal, say at around 57% are three plus years, but as young investors, say, come into the market and the average turnover increases overall, they go straight towards the app. Where do you see the next client at your end coming from?

Roop Bhootra: Yes, Yes, Yash. So it's a really good question where you have rightly analyzed that yes, our MTF interest income, that is flat in Q4 and the current Q1. So there is one important thing which is there, in both the quarter if you go in terms of the average book which is there, that book is flat. But the positive aspect which is there, that in March month actually the book got reduced because you might be aware about that particular, in that particular month, the market fell down by 15% approximately in terms of mid-cap side.

So book size has reduced and book size went down in last quarter and it was near to the extent of ₹1,100 crores. But post that the book has started increasing on gradual basis and book has reached by the year end at a peak level of ₹1,330 crores. So the since the average book size in both the quarter was at par, so that's why the interest income was at a flat level, but the positive thing that book is now continuously growing in this particular quarter. So this is the reason that interest income is on flat side. And second thing you have asked in terms of the, Yes.

Pradeep Gupta: So you have asked about the, 57% three year plus and looking at young population who are largely attracting towards app side. If you really see our model, we are largely targeting those customers who are well understood and in age group of about 25 to 30 years, because of a simple reason those are the customers who are literally ripe enough and are -- understand enough about the investment philosophy and they are largely working and looking at wealth creation and wealth building by way of investing in investment products such as equity and other investment products such as mutual fund, AIF and PMS and so and so forth.

And that's where our target customer lies. Having said that, all those customers at a initial age bracket, those who are interested in investment and those who wants to only look at investment are also our target customer through our app and they are literally coming on the app through us also -- with us also.

But if you really look at and glance through the market side, largely those young customers are opting the F&O over investment in cash market and that's where initially three to five years they spend -- they work on a trading activities, they execute their trades on F&O basis in F&O businesses and once they understand that they cannot devote time, they cannot keep pace with those kind of a trading activity as well as they lost their money over there, then they start changing their strategies and come to investment platform and look at investment as an avenue.

So in our case, obviously, we are deliberately looking at those kind of a customers who are looking for an investment solution and interested to invest and create their growth and that's the reason you will find about 30 years plus customer base is with us in large and the longevity of customer base with us for more than three year, five year is 49%*.
(this should be read as 43.44% instead of 49%)*

Yash Jhurani: Sir, just one small follow-up, just need a number if it's possible. Could we know the customer acquisition cost that we take to get these kinds of customers above the age of 30? Is it possible for us to know?

Pradeep Gupta: So typically if you really see we do not really maintain and manage from a customer acquisition cost because of a simple reason we do have RMs who are supporting and assisting our customers all across the country. Now these RMs are getting lots of referrals because of our service standard, because of our deliveries and we are also acquiring these customers by way of doing various different activities in various different places and regions.

So based on those activities we invite customers to and educate them on various different platform on investment and investment products and that's where the existing customer as well as prospective customer comes, hear us -- hear our views on a different platform and then they start chasing us and talking to us for their investments and that's the reason we really can't make out what is the actual cost to acquire a specific customer base. But by and large with these activities our customer cost -- customer acquisition cost is really, really in control.

Roop Bhootra: Just to add to it, apart from our own I can say the B2C channel, we have B2B channel which is equally strong and there all our business partner or franchisee, they are there on the complete variable model. So they are also acquiring clients on constant basis based on their relationship and naturally in that particular vertical the cost is again the zero in terms of any acquisition.

Yash Jhurani: Understood. Thank you so much.

Moderator: Thank you. We have the next question from the line of Arka Bhattacharjee from Finedge Analytics. Please go ahead.

Arka Bhattacharjee: Yes, hi. Good afternoon, sir. Congratulations on the good set of numbers. I have one question regarding this 21 crores compensation that has been made to the clients. Any specific enhancement that you have made to this by digital security framework so that these things do not happen in future?

Pradeep Gupta: I'm sorry, Mr. Bhattacharjee, can you just repeat the question? I can't really get your voice clearly. Can you just repeat again?

Arka Bhattacharjee: Yes, sir. Sorry for this. I was asking that there was this 21 crores of compensation that our company has made to the clients. So I just wanted to know is there a specific measurement that has been taken to handle these kind of security framework which might not repeat in future so that like these things will not impact the balance sheet?

Pradeep Gupta: Yes. So Mr. Bhattacharjee, you might have heard and I have covered in my address that this is a typical fraudulent activity which has occurred in our depository side. You know, in our company we are depository participant also and this activity had happened with two of our customer who were dormant in nature, in that means their DP holdings are there with us since long, but there was no major activity happening in DP buying or DP transfers, as well as they were not active at all with us in our trading platform.

So what had happened, some fraudster has taken a clue and started embezzled and transferred these securities in their account and -- I mean this was not being, realized by the investor, until almost in a year's time. It was after pointing out after internal assessment we found and we then we spoke to the investor and we talked to them then we came to know that some activity had happened with these two customers.

We went into a detail, checked all our processes, we found all the -- maximum processes are being followed and there are certain amount of activity for which we appointed, you know, outside agency including EY to do forensic audit as well as to run through a complete check of our processes and systems. That thing is still happening and whatever report or overall suggestions going to come, we are destined to implement that to strengthen our processes.

At the same time internally we have look at our processes and wherever fine-tuning in the process is to be done, we have already done that. In terms of reporting this case to various authorities we have done that, including police with EOW. The investigation is still on and money trail whatever money trail so far, police, has been able to recover and seen, they have frozen those assets in those account.

As you know this is a process where probably they have to complete the investigation and then only will come to know how much amount can be recovered over there. At the same time we have also lodged our complaint with the with the insurance companies and giving them all the, you know, data and record and supporting so that they can take and evaluate this the whole matter and then settle the claim.

So we are expecting that the claim settlement and by way of recovering from the, you know, freeze assets, which are being frozen by the police authority, we will be able to recover sizeable amount out of the money which has been, you know, spent by the company and shown over here as an one-time, expense.

I personally feel that it's a matter of time and since we have to replenish these securities as a great goodwill gesture as well as, you know, to our customer we have, you know, provided all the securities which is being lost by those customers into their account and while procuring those securities from the market whatever cost which we have to incur has been debited to the P&L. There was no other way we can probably show and reflect into our P&L and that's where that's the way we have shown it and disclosed all the facts about this case into our Quarter 1 ‘27 financials.

Arka Bhattacharjee: Thank you, sir. Thanks a lot for the detailed answer. And regarding the subsidiary part that you are making the expansion, this move that you are state has been taken, just wanted to understand given your wealth manager DNA, what is the target asset -- target AUM that you are planning to grow in this next 12 to 18 months in Dubai?

Pradeep Gupta: So typically this as you know we are also addressing and servicing lots of NRI customer base from India and our, you know, RM teams are supporting and assisting and guiding and those NRI also are active on our online app. We found that lots of NRI from UAE regions are constantly working with us and seeing and requesting us to give them a little bit more active support to address the need.

And we see the potential is there in that UAE region. To looking at that, we have to create a structure where probably we can assist, guide and market and show them the investment products into that region to those NRI who are willing to invest in India. To do that we have to follow certain compliance and for that we have to create a subsidiary and that's the reason, we have passed a resolution to create an subsidiary unit in Dubai and get necessarily necessary light -- necessary licenses so that we can address the need of those customers without any regulatory hurdles.

Arka Bhattacharjee: Okay. And the last question that I have on the future revenue guidance. In the last con call, Chairman has guided for the long-term overall revenue growth should be between 15% to 20% year-on-year. So in the Quarter FY27, the revenue from this operation already grew by 22% I think, which is at the upper end of the long-term guidance. So this early achievement of your 50-50 diversification goal that you have, do you see any headroom to revise this annual growth guidance for the full year of FY27?

Pradeep Gupta: So our typical endeavour is going to be that we are going constantly going to grow between, you know, 20% to 25%. 15% to 25% is a range which we have set for ourselves and obviously we will keep on doing it and addressing this issue. As you know, till the time our dependence on broking in a larger way, till the time we are not going to achieve the 50-50% kind of a module in broking and non-broking, we will constantly see that our revenue growth should be minimum around 15% to 20% and our bottom line which is PAT should grow by somewhere around 30% to 35%.

And we will stick to our -- that guidelines and we will keep on improvising over there. Yes, we have been able to achieve 22% kind of a growth in revenue terms as of now from our, you know, year-on-year basis target and we will keep on working towards it over a period of time.

Arka Bhattacharjee: Thank you, sir. Thank you. Thank you everyone for everything. That's all of my questions.

Pradeep Gupta: Yes. Thank you.

Moderator: Thank you. We will take the next question from the line of Priyam from Trinetra Asset Managers. Please go ahead.

Priyam: Hi. Thank you for the opportunity. So I just wanted to understand the, you know, a lot of full-service brokers have announced their plan to set up a structure in GIFT City and or, you know, set up international investing. I think that is going to be a deep flavour of growth in in the coming years. I just wanted to understand your thought process on it and whether we are going to do something about it?

Pradeep Gupta: So typically, you are absolutely right, many of, you know, full-service brokerage houses and even I would say online broking houses are trying and venturing the international, offering and providing those international offering to the domestic customer base. If you really look at it, we do have our, you know, one subsidiary unit which is listed in GIFT City and already active and participating for this kind of an activity. And right now, we are completely focusing to address the need of NRI customer base for invest for their investment within the country.

But over a period of time, you know, we do have capability, capacity to expand that, base for international businesses. Right now, I do not see that there is an much of a value addition which can be provided because our philosophy is pretty clear that any product or any investment, product which we are submitting to a customer until unless we do not understand that product really well and until unless we do not see a value addition being provided to our customer, we normally do not go and take an hasty decision to incorporated that, incorporate that product basket with us.

And another little bit, problem for domestic customers is that all these investments are subject to your LRS limitation where probably you have to take permission and under that LRS scheme you can probably go and invest only to a certain amount of dollar which is $250,000 per account per year. So those are the kind of a limitations again can crop up and to address those issues one has to be very, vigilant and we will probably once we will get some answer, we can look at it. But right now, we are not really providing any kind of a such, platform or such, activity at our end.

Though we are also our distribution team, distribution product team has started evaluating few of our distribution product which is mutual fund or other product which are dollar denominated. We are researching them, we are studying them and once we get certain amount of clarity , we believe that we have got a created certain amount of view on that, those kind of a product, to our NRI customer base can be a possibility which can be given to them, which can be shown to them and we will probably provide to them.

Priyam: Sure. Thank you.

Moderator: Thank you. We will take the next question from the line of Shweta Sharma from Arihant Capital. Please go ahead.

Shweta Sharma: Hello, am I audible?

Pradeep Gupta: Yes, ma'am. You are quite audible, Shweta. Thank you.

Shweta Sharma: Thank you so much, sir, for opportunity. Sir, we see a Q-o-Q dip in non-broking segment this quarter. So, can you throw some light on it and how do you plan to avoid such de-growth in coming quarter?

Pradeep Gupta: Shweta, if you really see Q-on-Q basis distribution if you compare in broking industry and when you are looking at distribution, in distribution JFM period is largely also driven by insurance businesses. Most of the insurance businesses happen in January, February, March.

And because of that, while marketing and selling these insurance policies, you have got a big amount of revenue coming from insurance businesses also. And that's the reason you will find your JFM quarter is going to be always higher and April, May, June the selling of those insurance policies comes down and that makes an impact in Q-on-Q basis.

Otherwise, if you really look at our AUM in mutual fund has grown, in AUM in any other product has grown and Q-on-Q basis, so revenue from those products apart from insurance revenues are literally growing on an steady basis. That's what, making an impact on distribution business.

Roop Bhootra: Just to add to it whatever Pradeepji mentioned. Rightly in terms of distribution side AUM has grown and that AUM has grown not only just because of the market changes or market-related impact. We were able to collect in fact in last quarter the highest net collection basis in terms of AUM. So, we were able to add that particular part.

And in terms of I can say the revenue side, since as I mentioned earlier that in March month market was down almost by 14% to 15% for which the impact was continued in terms of this particular, I think the last quarter at the initial period in terms of trail revenue also. Because whenever as you know well that in case of when market is falling in this kind of scenario, immediately it is getting -- I can say the trail revenue is reducing. But the overall basis we were able to increase all those businesses other than the insurance business.

Shweta Sharma: Okay, okay. Thank you so much, sir. my second question is, the debt-equity ratio appears elevated this quarter. So, could you explain the reason behind such increase and going forward should we expect any further increase in leverage?

Roop Bhootra: Our idea is surely there to increase the debt-equity ratio. In fact, debt-equity ratio earlier it came down because naturally with the infusion of the money through IPO, immediately the capital infusion took place, but the borrowings will take place later on the place. Our idea is surely to improve this debt-equity ratio. We are very much comfortable.

And in the industry, on overall basis people are there at around 1.5 to 2 kind of debt-equity ratio, which is a very comfortable ratio. Currently we are there just at 0.8 times and we are constantly going for the borrowing to improve our both on the MTF book side as well as the overall total I can say on the book size. So, we will continuously work towards that in terms of borrowing. And for that particular thing our as I mentioned our rating has also improved which is going to help us in terms of having that particular borrowing part.

Pradeep Gupta: Just to add what Mr. Roop said, Shweta, in our businesses we are borrowing money only to expand our businesses to take care of our working capital requirement as well as put that money for margin trading facility. So whatever borrowing is happening, whatever debt-equity is happening, in fact that is yielding results by way of interest income in MTF as well as the broking income and that's where you are trying to multiply and you are trying to gain over there. So that's how this whole borrowing is going to be utilized.

So, it's a positive thing, in the sense that we are not crossing the boundaries and we are not over-leveraging that. I believe in this scenario, uh, in this industry, two-time kind of a debt-equity is reasonable. And we were there,. when we raised the fund, we were there somewhere around 1.2 -- around 2 times of a debt-equity and at that point of time we have infused the capital.

Shweta Sharma: Okay. Thank you so much, sir. That's all from my side. Thank you.

Moderator: Thank you. We will take the next question from the line of Deep Himani from Choice Equities. Please go ahead.

Deep Himani: Sure. Thank you so much for the opportunity. So, I have one question. Sir, can you please share the blended yield that is being currently earned on the MTF book and like what would be the average cost of funds during the quarter?

Roop Bhootra: Our yield in terms of MTF book is around 14% kind of level and naturally on that particular additional income in terms of brokerage is generated towards the cash market delivery side, that is separate.

Deep Himani: Okay. And sir, the last question, like how should investors think about -- hello, am I audible?

Pradeep Gupta: Yes, Yes, you're audible. Please go ahead.

Deep Himani: How should investors think like what would be the sustainability of spreads going forward?

Pradeep Gupta: So this is a this is a impact of market conditions, how much liquid the market is. For example, borrowing happening in the market right now because of liquidity concerns, tightness of liquidity, the borrowing is going to be at a little higher rate. But at the same time the same impact can be passed on to the investor, because if anybody would like to raise funds in MTF book, you can raise that.

So it's a completely individualistic approach, I personally feel. And there are enough margins available and you can probably play this book really well if you have that kind of a skills available with you and the kind of a customer base to whom you are literally addressing.

Deep Himani: Okay, sir. Thank you. That's it from my side.

Pradeep Gupta: Thank you, Himani.

Moderator: Thank you very much. Ladies and gentlemen, that will be the last question for today. I now hand the conference over to Mr. Pradeep Gupta for the closing comment. Thank you and over to you, sir.

Pradeep Gupta: So thank you investors. Thanks a lot for all your guidance, support and the kind of a question you are asking. We at Anand Rathi Share and Stock Broking Limited are always committed for the well-being and goodness and constant growth of all our stakeholder and we remain committed for that. Thank you. Thanks a lot, and a good day.

Moderator: Thank you members of the management. On behalf of EY, we conclude this conference. Thank you everyone for joining with us today and you may now disconnect your lines.