INVasset Corporate Insights

ANAND RATHI
INVESTMENT SERVICES

18th August, 2025

INVASSET

India's Best Performing and Most Customer Centric PMS

Anand Rathi Wealth Ltd is a leading non-bank wealth solutions firm in India, primarily engaged in providing a comprehensive range of financial product distribution, wealth solutions, and technology-driven platforms. Incorporated in 1995 and part of the Anand Rathi Group, the company has grown into one of the top three non-bank mutual fund distributors in the country, trusted by thousands of high-net-worth and mass affluent clients. With decades of expertise, it has become synonymous with simplifying wealth management for Indian investors.

Strategically, Anand Rathi Wealth has also demonstrated foresight by embracing international expansion and digital scalability. The recently approved UK subsidiary reflects its intent to cater to the global NRI and HNI diaspora, following its earlier success in Dubai.

At the same time, investments in digital platforms and technology-led ecosystems have positioned the company to tap into India's rising mass affluent segment and the growing pool of independent distributors. By balancing strong domestic foundations with a forward-looking global and digital strategy, Anand Rathi Wealth continues to strengthen its leadership in India's wealth management landscape.

With a consolidated AUM of ₹87,797 crore in Q1 FY26, up 27% year-on-year, the company continues to deliver industry-leading profitability with a PAT margin of 33% and EPS growth of 29%. Guided by its vision to cross ₹1,00,000 crore in AUM and achieve ₹375 crore PAT in FY26, Anand Rathi Wealth stands as a trusted partner in India's growing wealth management story.

Private Wealth Dominance: Anand Rathi Wealth has firmly established itself as a leader in India's non-bank wealth management space. With an AUM of ₹75,291 crore in FY25 and coverage across 198,000 client families, the segment underscores the company's strength in building long-term client relationships. Supported by 380 relationship managers, the Private Wealth vertical contributes the largest share of business, with nearly 79% of assets coming from clients with more than three years of association. This strong retention demonstrates the trust placed by HNIs and Ultra HNIs in the firm's offerings, which range from equity mutual funds and structured products to succession and estate planning. By combining strategic asset allocation with holistic financial services, Anand Rathi Wealth has been able to consistently deliver superior risk-adjusted returns, thereby strengthening its leadership in the wealth solutions sector.

Digital and Omni Expansion: Alongside its Private Wealth strength, Anand Rathi Wealth has diversified into newer growth avenues through its Digital Wealth and Omni Financial Advisor (OFA) platforms. The Digital Wealth business, aimed at the mass affluent segment, recorded a rise in AUM to ₹1,812 crore in FY25, supported by its 'phygital' model of combining technology with advisory touchpoints. This demonstrates the company's ability to scale beyond traditional client bases by leveraging innovation. Similarly, the OFA vertical, operated through FFreedom Intermediary Infrastructure, has become a leading SaaS-based platform for mutual fund distributors and IFAs. With 6,447 distributors onboarded and assets of ₹1,42,935 crore managed for 2.2 million end-clients, OFA represents a significant technological edge. Together, these verticals not only broaden Anand Rathi Wealth's revenue streams but also reinforce its positioning as a comprehensive, future-ready wealth management firm.

Stock Data	
CMP (18-08-2025)	2789.10
52 Week High/Low	2849.10/1594.00
Face Value (in Rs.)	5
Market Cap (In Crs)	23,264
Enterprise Value (In Crs)	23,299
NSE	ANANDRATHI
BSE	543415
Bloomberg	ANANDRAT:IN
Sector	Capital Markets

Shareholding Pattern (in %)		
	June 25	March 25
Promoter	42.71	47.29
FII	4.90	4.85
DII	8.40	7.21
Government	0.00	0.01
Others	43.98	40.64

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	-0.93	8.35	1.37
ANANDRATHI	7.83	54.33	54.86

Key Ratios	
P/E	72.70
P/S	23.80
P/B	34.50
Debt To Equity	0.12
ROE	45.30%
ROCE	56.30%
Dividend Yield	0.38%

Q1 FY 26 Result Update

Q1 FY26 Result Comparison (In Rs Cr wherever applicable)					
	Q1 FY26	Q4 FY25	Q1 FY25	QOQ	YOY
Total Revenue	284.30	241.40	245.40	17.77%	15.80%
PBT	126.40	99.50	99.00	27.07%	27.60%
PAT	93.90	73.70	73.40	27.46%	27.90%
EPS (in Rs.)	11.30	8.90	8.80	26.97%	28.80%
AUM (in Rs. Cr)	87,797	77,103	69,018	13.87%	27.20%

Result Highlights

Anand Rathi Wealth Ltd began FY26 with a strong financial performance that underscores the company's ability to maintain momentum in a growing yet competitive wealth management industry. The firm reported consolidated revenue of ₹284.30 crore in Q1 FY26, reflecting a 15.80% increase over the same period last year. Importantly, the sequential growth stood at 17.77%, a pace that highlights the resilience of the business model even in a volatile capital market environment. The rise in revenue was broad-based and primarily driven by trail commissions, ensuring predictability and visibility of earnings, a distinguishing feature in the wealth management sector.

Profit before tax came in at ₹126.40 crore, a surge of 27.6% on a year-over-year basis and 27.07% compared to the previous quarter. This acceleration illustrates the operating leverage embedded in Anand Rathi Wealth's model, where incremental growth in assets and revenues translates into disproportionately higher profits. A significant contributor to this performance is the company's disciplined approach to cost management. Employee expenses, which typically form the largest cost component for wealth managers, have been maintained at efficient levels without compromising on talent acquisition or training. Other expenses too, while rising moderately, remained aligned with the company's strategic push towards technology adoption and compliance enhancement.

Net profit for the quarter stood at ₹93.90 crore, up 27.9% year-on-year and 27.46% sequentially. Such consistent expansion in profitability reflects not just topline growth but also the firm's ability to maintain margins at healthy levels. The profit after tax margin expanded to 33% in Q1 FY26 from 29.9% a year earlier, an indicator of Anand Rathi Wealth's ability to extract higher value from its operations. This level of profitability places the firm at the top tier of non-bank wealth managers in India, providing it with both capital strength and flexibility to invest in long-term initiatives.

Earnings per share rose to ₹11.30 in the quarter, a rise of 28.8% over Q1 FY25 and 26.97% from the preceding quarter. This steady growth in EPS is critical from a shareholder perspective, as it reinforces the company's track record of rewarding investors through both earnings expansion and consistent dividend payouts. Over the years, Anand Rathi Wealth has distinguished itself as a company that combines growth with capital discipline, returning value through dividends, buybacks, and bonus issuances while maintaining sufficient reserves for reinvestment. The EPS growth in Q1 FY26 thus extends this tradition, reflecting not just the health of the current business but also the company's ability to scale without margin dilution.

The firm's assets under management reached ₹87,797 crore as of June 2025, registering a 27.2% year-on-year increase and a 13.87% rise sequentially. This growth, however, is not merely a function of market appreciation. A significant portion of the AUM increase has been driven by net inflows, reflecting investor confidence in Anand Rathi Wealth's advisory capabilities. The emphasis on holistic wealth solutions, encompassing structured products, estate planning, and tax optimization strategies, has ensured that client portfolios remain diversified and resilient. This has helped attract incremental wallet share from existing clients while also onboarding new families. The combination of retention and acquisition provides a dual engine for sustainable AUM expansion.

Another noteworthy aspect of the Q1 performance is how it aligns with the firm's FY26 guidance. The management had set a target of ₹1,175 crore in revenue, ₹375 crore in profit after tax, and ₹1,00,000 crore in AUM for the year. By the end of Q1, the company has already achieved 24% of its revenue target, 25% of its profit target, and nearly 88% of its AUM guidance. This trajectory indicates that the company is on track, if not ahead of schedule, to meet or surpass its full-year objectives. Achieving such progress in the very first quarter provides confidence to both management and shareholders that the firm is well-positioned to navigate the rest of the year, even in the face of potential macroeconomic volatility.

Investment Rationale

Market Reach and Penetration

Anand Rathi Wealth Ltd has emerged as one of India's most significant non-bank wealth managers, with a client footprint that spans the breadth of the country. Its presence in 18 domestic cities and an international office in Dubai ensures that it serves a diverse client base, ranging from HNIs and UHNIs in major financial hubs to affluent families in emerging economic centers. The company's outreach is not restricted to traditional wealth hubs like Mumbai and Delhi; it has established a meaningful presence in Tier-II and Tier-III cities, where wealth creation has accelerated in recent years. This expansion beyond metros positions the firm to capture rising affluence across India. The planned entry into the UK, approved in FY25, will allow Anand Rathi Wealth to further penetrate the NRI and global HNI market, thereby extending its geographical coverage and reinforcing its strategy of balancing domestic leadership with international aspirations.

Client Loyalty and Relationship Stickiness

One of the firm's most compelling attributes is its unusually high client retention and loyalty metrics. Wealth management is an industry where long-term relationships translate directly into predictable revenues, and Anand Rathi Wealth excels here. Nearly four out of every five rupees under management come from clients associated for more than three years, a testament to the trust the company has cultivated. This loyalty is not transactional; it is reinforced through estate planning, succession solutions, and tax optimization strategies that bind clients to the platform across generations. The model ensures that as clients progress from HNI to UHNI status, their portfolios naturally expand within the Anand Rathi ecosystem. Near-zero regret attrition of relationship managers further strengthens continuity, ensuring that families interact with advisors who understand their legacy and objectives. This cycle of client stickiness and portfolio expansion is one of the most powerful drivers of long-term compounding in the business.

Innovation in Product Strategy

While wealth management is often viewed as a relationship-driven business, Anand Rathi Wealth differentiates itself by deploying structured innovation in its product mix. Its proprietary strategy of combining equity mutual funds with structured products in carefully curated ratios has consistently delivered risk-adjusted outperformance. Over the past decade, the blended allocation model has generated Jensen's Alpha exceeding 6%, proving the merit of science-led innovation in portfolio construction. The firm also conducts specialized audits across client portfolios—covering lost folios, PMS, direct equity, insurance, and real estate—that uncover inefficiencies and unlock opportunities. By providing a structured approach that goes beyond traditional advisory, the company ensures that innovation is not merely about adding new products, but about enhancing outcomes through sharper allocation frameworks.

Expansion into Technology and Digital Platforms

Recognizing the future of wealth lies in scalable technology, Anand Rathi Wealth has strategically expanded into digital-first businesses. Its Digital Wealth arm serves the mass affluent segment through a "phygital" channel, combining the convenience of online interfaces with offline advisory touchpoints. The Omni Financial Advisor (OFA) platform has created a SaaS-based ecosystem for mutual fund distributors and independent financial advisors, enabling them to manage large pools of end-clients efficiently. This expansion beyond private wealth ensures that the company is not solely reliant on a single vertical, but is building a comprehensive wealth-tech platform. By embedding itself into the value chain of advisors and distributors, Anand Rathi Wealth is indirectly influencing an asset pool far larger than its reported AUM, creating significant strategic optionality.

Commitment to Governance and Transparency

Corporate governance is a critical determinant of trust in financial services. Anand Rathi Wealth distinguishes itself with a consistent record of transparent reporting, stable dividend payouts, and shareholder-friendly actions such as buybacks and bonuses. Its trail-based revenue model reduces reliance on one-off commissions and creates visibility into future earnings. The firm's consistent profit margins above 30% and industry-best return on equity of 44%+ further underline disciplined execution. Importantly, the company has maintained this record across market cycles, showing that governance practices are not opportunistic, but embedded in the business model. For institutional investors seeking predictability, Anand Rathi Wealth offers a rare combination of high growth and high transparency.

Focus on Talent and Employee Retention

In wealth management, human capital is as critical as financial capital. Anand Rathi Wealth has built one of the most stable pools of relationship managers in the industry, supported by consistent incentives and professional development. With over 38,000 training hours conducted in FY25, the firm ensures its employees are continuously upskilled. This investment in talent results in near-zero regret attrition—a rarity in financial distribution—allowing clients to benefit from long-standing advisor relationships. The company has also been recognized as a "Great Place to Work" for five consecutive years, further strengthening its ability to attract and retain top talent. By focusing on employee engagement, Anand Rathi Wealth ensures that its most valuable asset—its people—remains aligned with long-term business objectives.

Social Responsibility and Financial Literacy

Anand Rathi Wealth complements its commercial objectives with initiatives aimed at improving financial literacy. The firm conducts client education seminars, market outlook sessions, and estate planning workshops across cities, helping demystify wealth management for a broader audience. This commitment to education aligns with a growing demand for transparent financial advice in India. By positioning itself as both an advisor and an educator, the company builds trust beyond transactional relationships. Moreover, its engagement in community development through financial awareness programs resonates with clients who increasingly value responsible corporate citizenship. In this way, Anand Rathi Wealth integrates profitability with purpose, enhancing brand equity in the process.

Market Position and Competitive Resilience

India's wealth management landscape is intensely competitive, with banks, boutique firms, and fintech startups all vying for client assets. Despite this, Anand Rathi Wealth has maintained a top-three ranking among non-bank distributors, a position earned through consistency rather than aggressive pricing. Its differentiated model, which emphasizes holistic wealth strategies rather than product pushing, sets it apart from bank-led distribution that often suffers from conflicts of interest. The firm's ability to grow AUM at a faster pace than the industry average since FY19 highlights its resilience in the face of competition. By balancing scale with specialization, Anand Rathi Wealth positions itself not as a commoditized distributor but as a long-term partner in wealth creation.

Accessibility and Client-Centric Service

Accessibility in wealth management goes beyond geographical presence; it involves responsiveness, customization, and client servicing. Anand Rathi Wealth has consistently scored highly in client surveys on service responsiveness and error-free reporting. Its technological platforms provide seamless transaction interfaces, while relationship managers offer personalized advice, combining digital convenience with human trust. This blend ensures that clients—from mass affluent to ultra-wealthy—experience service that is both scalable and personal. In an industry where small service gaps can erode loyalty, Anand Rathi Wealth's ability to deliver error-free, timely, and client-centric experiences has become a competitive advantage.

Premiumization of Services

As Indian investors mature, the demand for sophisticated products and strategies has grown. Anand Rathi Wealth has capitalized on this trend by premiumizing its offerings through structured products, estate planning solutions, and international diversification strategies. These services go beyond basic financial distribution and cater to clients seeking advanced risk management and wealth transfer mechanisms. By positioning itself at the premium end of advisory, Anand Rathi Wealth ensures that it is not competing purely on cost but on value-added expertise. This focus on premiumization enhances margins, deepens client engagement, and reinforces its brand as a provider of sophisticated wealth solutions.

Strategic Use of Data and Insights

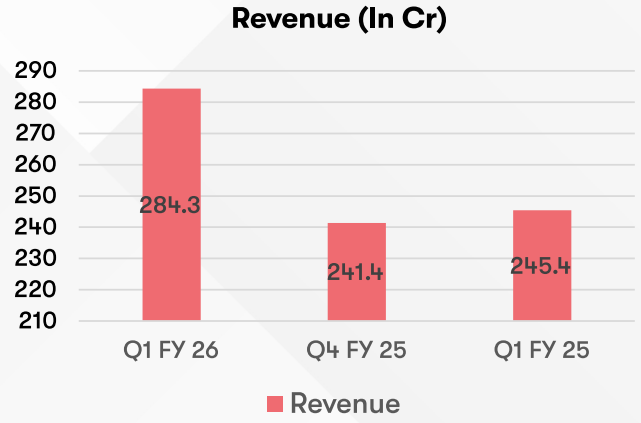
Data-driven insights form the backbone of Anand Rathi Wealth's advisory approach. The firm leverages analytics to track client behavior, portfolio performance, and market dynamics. These insights are not just used for portfolio construction but also for designing client engagement strategies and identifying cross-selling opportunities. For instance, by analyzing portfolio allocations, the company can identify under-served needs in estate planning or structured products, thereby offering targeted solutions. This proactive, insight-driven approach ensures that the company remains ahead of client expectations. In an industry where personalization is increasingly valued, Anand Rathi Wealth's ability to convert data into actionable advice provides a significant competitive edge.

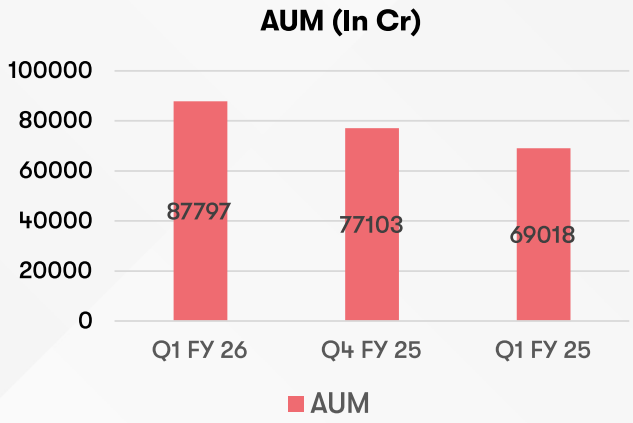
Long-Term Industry Tailwinds

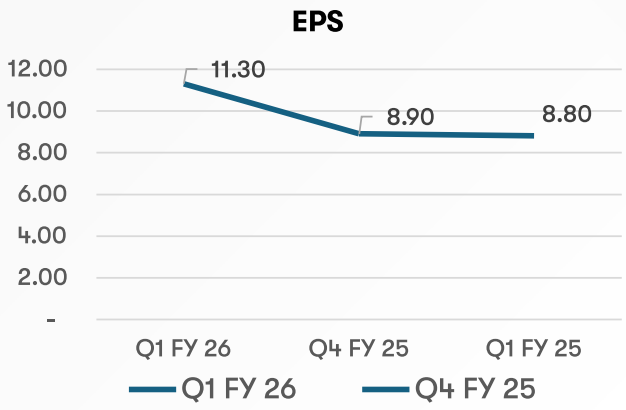
The broader backdrop for Anand Rathi Wealth's growth is India's accelerating wealth creation. Rising household incomes, growing financialization of savings, and increasing acceptance of professional wealth managers create a long runway for expansion. The penetration of equity mutual funds as a percentage of GDP remains far below global averages, offering enormous headroom for growth. Simultaneously, the number of HNI and UHNI families is projected to grow at double-digit rates over the next five years. Anand Rathi Wealth is strategically positioned to capture these tailwinds with its diversified platform, strong brand, and disciplined execution.

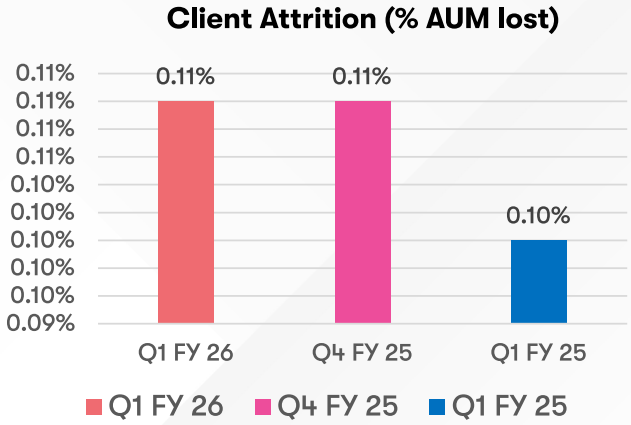
Alignment with Shareholder Value Creation

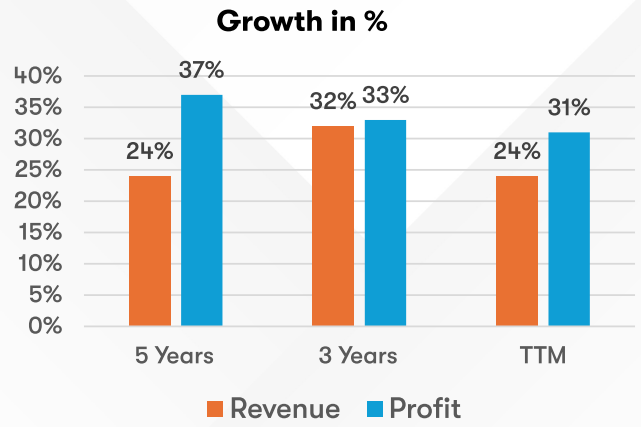
Anand Rathi Wealth has consistently demonstrated that growth for the business translates into value for its shareholders. Over the last three years, the company has rewarded investors not just through strong earnings compounding but also through shareholder-friendly corporate actions, including regular dividends, a bonus issue, and a buyback program. Unlike many peers that prioritize scale over returns, Anand Rathi Wealth has maintained one of the highest return-on-equity ratios in the financial services space, consistently exceeding 40%. This capital discipline reassures investors that the company balances growth ambitions with prudent allocation of resources. The alignment of business strategy with shareholder value creation also signals management's confidence in the sustainability of its model. For long-term investors, this combination of earnings visibility, disciplined payouts, and capital efficiency makes Anand Rathi Wealth a compelling investment proposition within India's expanding financial services industry.

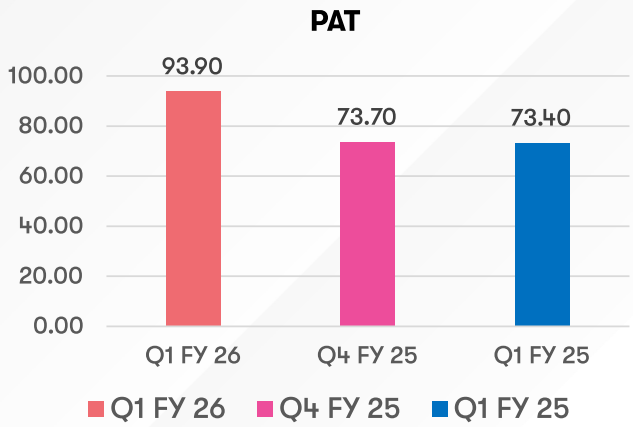

Revenue (In Cr)
290
280
270
260
250
240
230
220
210
284.3
241.4
245.4
Q1 FY 26
Q4 FY 25
Q1 FY 25
Revenue


AUM (In Cr)
100000
80000
60000
40000
20000
0
87797
77103
69018
Q1 FY 26
Q4 FY 25
Q1 FY 25
AUM

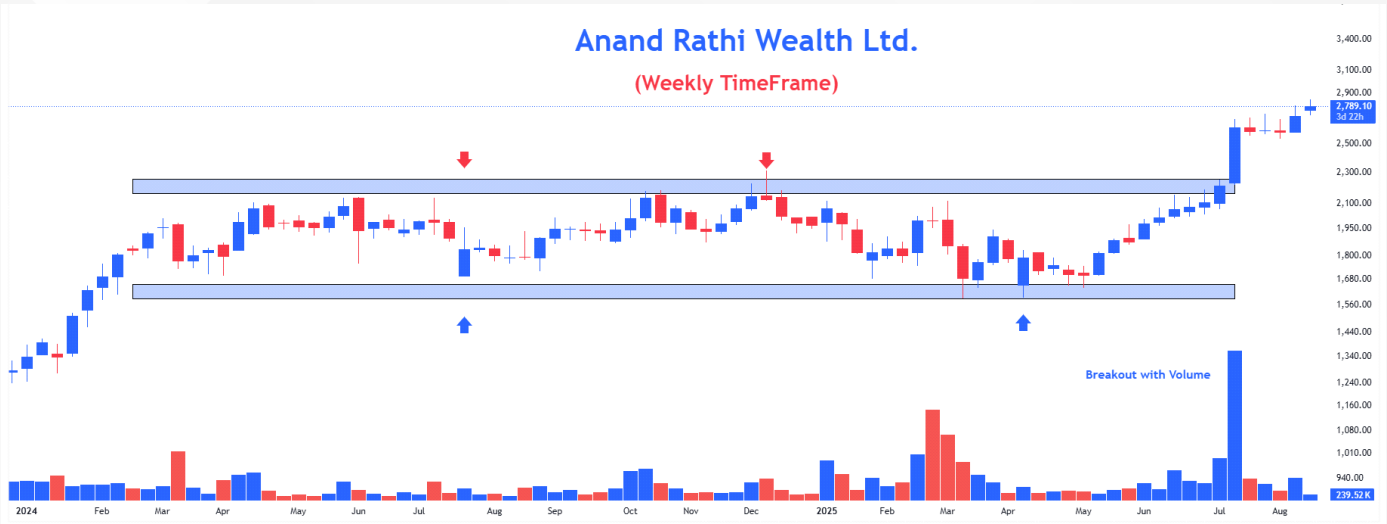

EPS
12.00
10.00
8.00
6.00
4.00
2.00
-
11.30
8.90
8.80
Q1 FY 26
Q4 FY 25
Q1 FY 25
Q1 FY 26
Q4 FY 25


Client Attrition (% AUM lost)
0.11%
0.11%
0.11%
0.11%
0.10%
0.10%
0.10%
0.10%
0.10%
0.09%
0.11%
0.11%
0.10%
Q1 FY 26
Q4 FY 25
Q1 FY 25
Q1 FY 26
Q4 FY 25
Q1 FY 25


Growth in %
40%
35%
30%
25%
20%
15%
10%
5%
0%
24%
37%
32%
33%
24%
31%
5 Years
3 Years
TTM
Revenue
Profit


PAT
100.00
80.00
60.00
40.00
20.00
0.00
93.90
73.70
73.40
Q1 FY 26
Q4 FY 25
Q1 FY 25
Q1 FY 26
Q4 FY 25
Q1 FY 25

Technical Outlook



The weekly chart for Anand Rathi Wealth Ltd. highlights a decisive breakout after a prolonged consolidation phase. For over a year, the stock traded within a defined range between approximately ₹1,600 on the downside and ₹2,200 on the upside, with multiple tests of both support and resistance levels.

In recent weeks, the stock broke above the resistance zone with strong volumes, signaling renewed bullish momentum. This breakout suggests a potential continuation of the uptrend, supported by rising investor participation and improving sentiment.

The price has now moved toward ₹2,800, marking a fresh all-time high. Should the momentum sustain, this level could act as a new base, with the earlier resistance near ₹2,200–2,250 likely turning into a strong support zone. Any near-term pullbacks may find buying interest at these levels, reinforcing the positive structure.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	2743.32	2735.52
10	2682.12	2698.81
20	2662.72	2626.93
50	2359.78	2435.46
100	2086.35	2429.07
200	2019.04	2681.38

Pivot Levels : FIBONACCI		
R1 2753.02	Pivot 2715.20	S1 2677.38
R2 2776.38		S2 2654.02
R3 2814.20		S3 2616.20

	Daily	Weekly
Relative Strength Index (RSI)	69	80.12

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