


ANANDRATHI
 Private Wealth. uncomplicated
ANAND RATHI WEALTH LIMITED
(FORMERLY "ANAND RATHI WEALTH SERVICES LIMITED")
"AMFI-Registered Mutual Fund Distributor"

Anand Rathi Wealth Limited	
Symbol	ARWL
Issue Period	02-Dec-2021 to 06-Dec-2021
Post issue Modification Period	07-Dec-2021 (10.00 A.M. to 11.00 A.M.)
Cut-off time for UPI Mandate Confirmation	07-Dec-2021 (upto 12:00 PM)
Issue Size	Initial Public offer up to 12,000,000 equity shares.
Issue Type	100% Book Building
Price Range	Rs. 530 to Rs. 550
Discount	Rs.25 Per Equity Share to Employee Reservation Category
Face Value	Rs.5
Tick Size	Rs.1
Bid Lot	27 Equity Shares and in multiples thereof
Minimum Order Quantity	27 Equity Shares
Maximum Subscription Amount for Retail Investor	Rs. 2,00,000
Maximum Subscription Amount for Eligible Employee	Rs. 5,00,000
IPO Market Timings	10.00 a.m. to 5.00 p.m.
Book Running Lead Managers	Equirus Capital Private Limited, BNP Paribas, IIFL Securities Limited, Anand Rathi Advisors Limited
Sponsor Bank	HDFC Bank Limited
Categories	FI, IC, MF, FII, OTH, CO, IND, NOH and EMP
Name of the Registrar	Link Intime India Private Limited
Address of the Registrar	C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India

Source – nseindia.com

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
 Equirus <small>onward upward</small>	 BNP PARIBAS	 IIFL SECURITIES	 ANANDRATHI	 LINK Intime

Source – RHP

Note : Please refer to the Red Herring Prospectus for details regarding the Offer, the Company and the risk factors

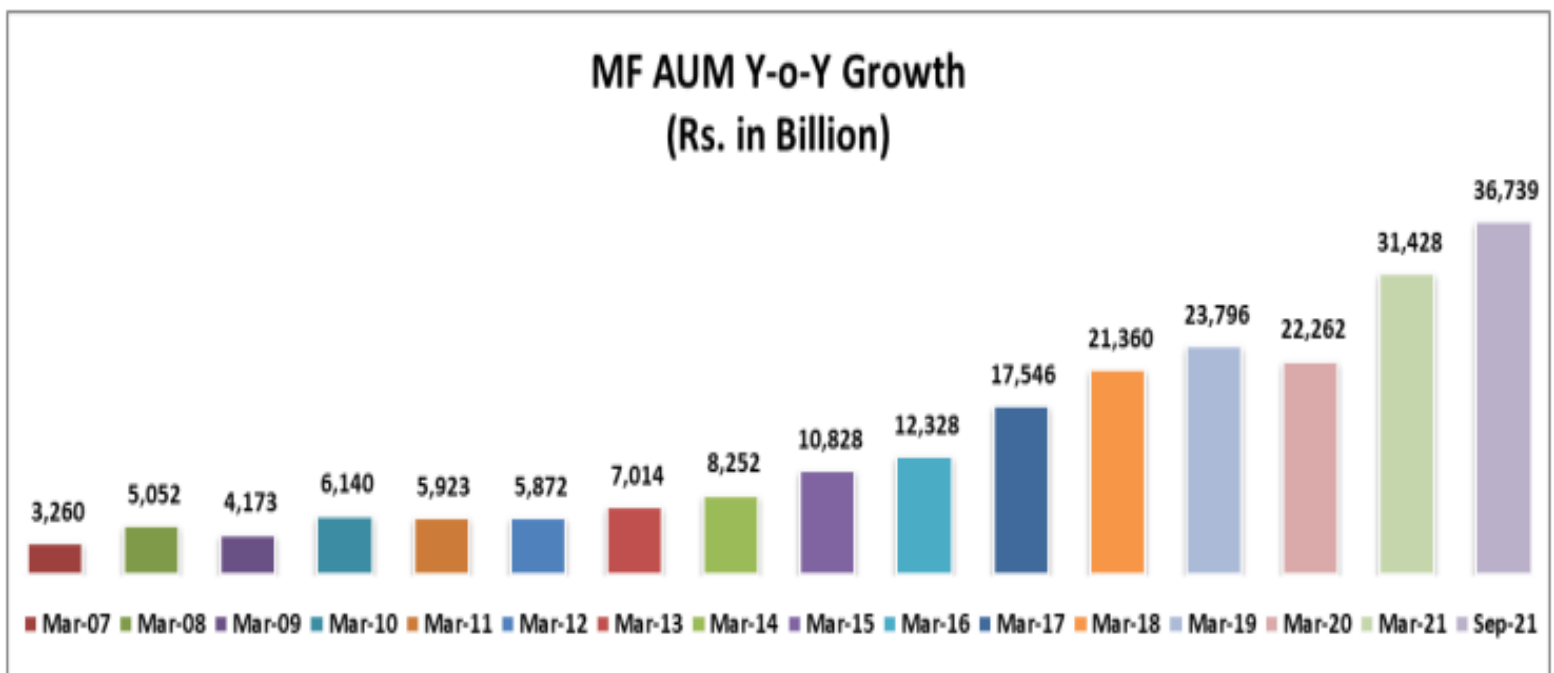
Recommendation – Apply with Long Term Investment View

Anand Rathi Wealth, the wealth management arm of Anand Rathi Financial Services, will launch its initial public offering (IPO) on Thursday, December 2 and the three-day initial share sale will conclude on December 6, 2021. Anand Rathi Wealth operates in the financial services industry with a focus on mutual fund distribution and the sale of financial products. The company commenced activities in fiscal 2002 and is AMFI registered mutual fund distributor.

Anand Rathi Wealth is one of the leading non-bank wealth solutions firms in India and has been ranked amongst the top three non-bank mutual fund distributors in the country. The company offers a wide product portfolio of wealth solutions, financial product distribution, and technology solutions to its clients. The company provides services primarily through its flagship Private Wealth (PW) vertical where it manages Rs.294.72 Bn in AuM as of August 31, 2021. The company's PW vertical caters to 6,564 active client families, through a team of 233 RMs. In addition to the PW vertical, the company has 2 other new-age technology-led business verticals, i.e., Digital Wealth (DW) and Omni Financial Advisors (OFA). The company has achieved a dominant position in the distribution of financial products, with a focus on the growing HNI segment. Currently, the company has a presence across 11 cities in India.

The company has focus on the underserved HNI segment of great market potential and standardized solutions offered to clients based on an objective-driven approach. The company is one of the top 3 leading mutual fund distributors in India with focus on value-added services. The company is attracting and retaining talent through an entrepreneurial work culture with unique marketing initiatives. In view of all these competitive strengths; investors may consider applying to this IPO with a long term investment view.

Indian Mutual Fund Industry Overview



IPO Note - Anand Rathi Wealth Limited

Break-up of AuM: PWM

PWM AuM (₹ in billion)	As at March 31, 2019		As at March 31, 2020		As at March 31, 2021		April 1, 2021 to August 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Equity Mutual Fund	78.38	43.45%	58.17	32.38%	94.95	36.44%	123.12	41.77%
Debt Mutual Fund	46.75	25.92%	49.07	27.31%	45.31	17.39%	44.11	14.97%
Total MF – A	125.13	69.37%	107.24	59.69%	140.26	53.83%	167.23	56.74%
Structured Products/ MLDs	39.59	21.95%	57.52	32.02%	93.28	35.80%	92.93	31.53%
Total – B	164.72	91.32%	164.76	91.71%	233.54	89.63%	260.16	88.27%
Direct Equity and Others	15.65	8.68%	14.90	8.29%	27.03	10.37%	34.56	11.73%
Total - (A+B)	180.37	100.00%	179.66	100.00%	260.57	100.00%	294.72	100.00%

Source – RHP

Break-up of AuM: DWM

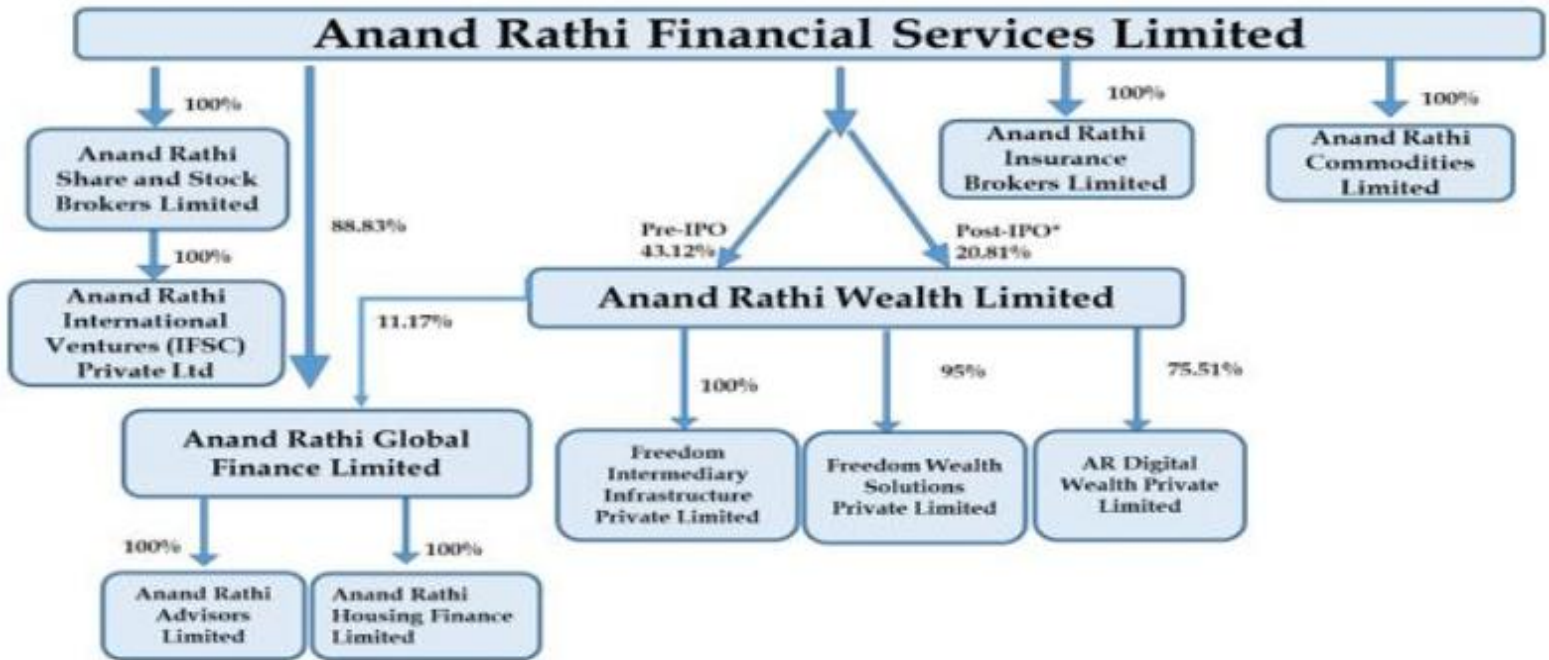
DWM AuM (₹ in billion)	As at March 31, 2019		As at March 31, 2020		As at March 31, 2021		April 1, 2021 to August 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Equity Mutual Fund	2.60	73.03%	2.45	62.83%	4.30	70.26%	5.47	74.22%
Debt Mutual Fund	0.88	24.72%	0.99	25.38%	1.03	16.83%	1.05	14.25%
Total MF – A	3.48	97.75%	3.44	88.21%	5.33	87.09%	6.52	88.47%
Structured Products/ MLDs	0.08	2.25%	0.46	11.79%	0.79	12.91%	0.85	11.53%
Total – B	3.56	100.00%	3.90	100.00%	6.12	100.00%	7.37	100.00%
Direct Equity and Others	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total - (A+B)	3.56	100.00%	3.90	100.00%	6.12	100.00%	7.37	100.00%

Source – RHP

Break-up of AuM: PWM and DWM

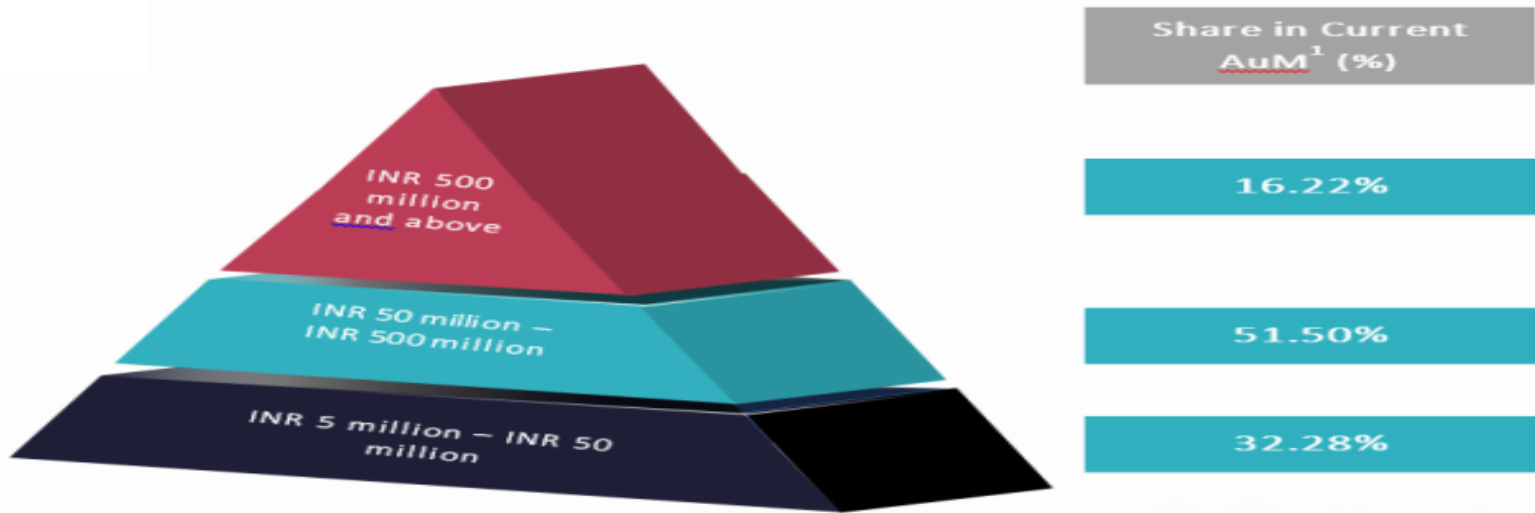
PWM & DWM AuM (₹ in billion)	As at March 31, 2019		As at March 31, 2020		As at March 31, 2021		April 1, 2021 to August 31, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Equity Mutual Fund	80.98	44.03%	60.62	33.03%	99.25	37.21%	128.58	42.56%
Debt Mutual Fund	47.64	25.90%	50.06	27.27%	46.34	17.38%	45.16	14.95%
Total MF – A	128.62	69.93%	110.68	60.30%	145.59	54.59%	173.74	57.51%
Change Y-o-Y (%) MF	NA		-13.95%		31.54%		19.34%	
Structured Products/ MLDs	39.66	21.56%	57.97	31.58%	94.08	35.28%	93.79	31.05%
Total – B	168.28	91.49%	168.65	91.88%	239.67	89.87%	267.54	88.56%
Direct Equity and Others	15.65	8.51%	14.90	8.12%	27.03	10.13%	34.56	11.44%
Total - (A+B)	183.93	100.00%	183.55	100.00%	266.70	100.00%	302.09	100.00%

Source – RHP



Source – RHP

Focus on the underserved and less price sensitive HNI segment



Source – RHP

(₹ in billion)

Fiscal	2018-2019	%	2019-2020	%	2020-2021	%	2021-2022 (till Aug-2021)	%	Total	%
No of Products	331		530		634		177		1,672	
Gross Mobilisation (₹In billion)	18.66	100	29.73	100	28.71	100	11.57	100	88.67	100
Repeat Purchase by existing clients (₹In billion)	16.36	87.65	24.46	82.28	19.31	67.25	9.04	78.11	69.16	78

Source – RHP

IPO Note - Anand Rathi Wealth Limited

Details of the mutual fund AUM and mutual fund distribution income for past three Fiscals and the five-month period ended August 31, 2021, is presented below.

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Five-month period ended August 31, 2021
MF AUM (Rs. in Billion)	128.61	110.68	145.59	173.75
Mutual Fund Distribution Income (Rs. in Million)	1,040.00	996.00	902.34	555.63

Details of MLDs mobilised and income from the sale of MLDs for the past three Fiscals and the five month period ended August 31, 2021, is presented below.

	Fiscal 2019	Fiscal 2020	Fiscal 2021	Five-month period ended August 31, 2021
MLDs Sold (Rs. in Billion)	18.66	29.73	28.71	11.57
Income from Sale of MLDs (Rs in Million)	1,231.50	2,135.22	1,478.97	922.35

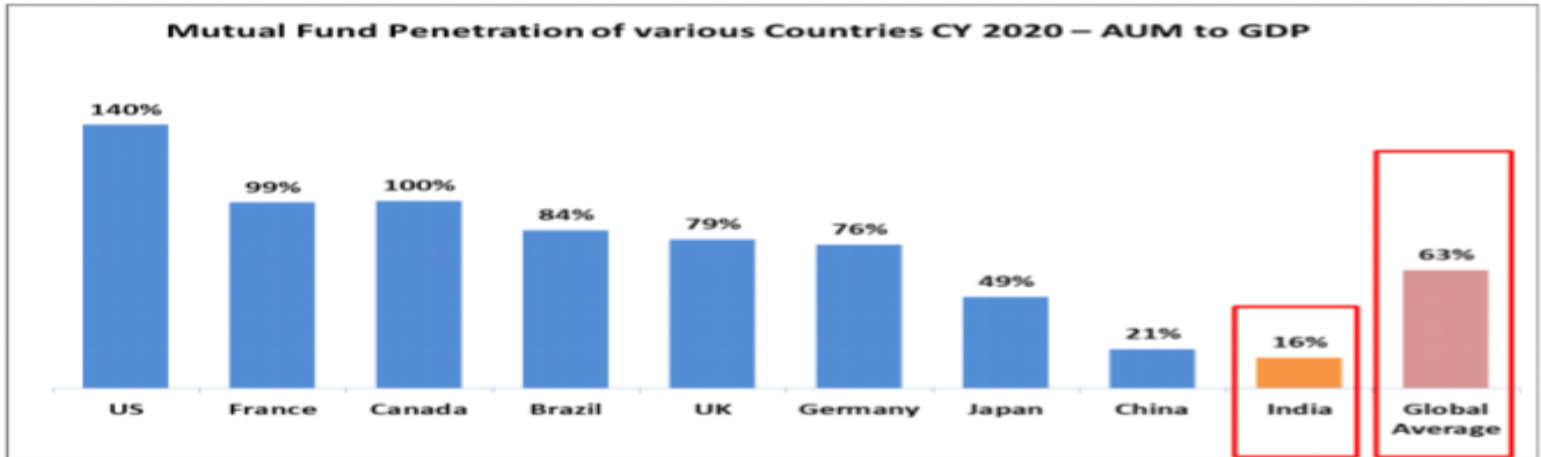
Source – RHP

Players in the Indian wealth management space

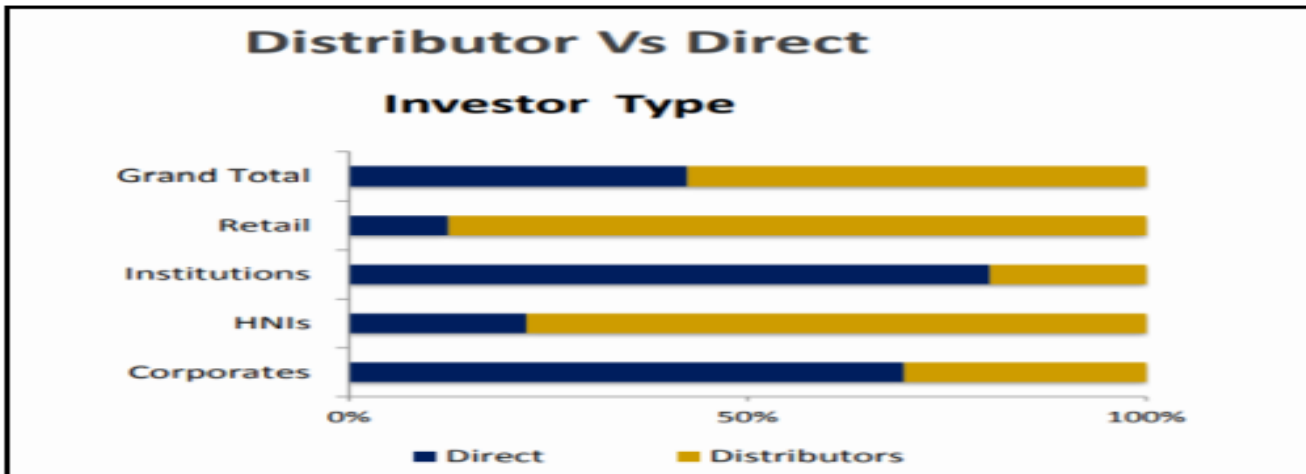
Products offered: Wealth managers in India mainly sell mutual funds, private equity funds, real estate funds, non-convertible debentures, portfolio management services, structured products and tax-free bonds to investors.

Business model	Market positioning	Key characteristics
Universal banks	Strong	<ul style="list-style-type: none"> Includes large players, mainly private banks; recently some PSU Banks have also announced plans to launch wealth-management services Extensive reach Relatively high entry barriers Cross-sell potential with both retail and corporate customers
Wealth management Specialists	Medium	<ul style="list-style-type: none"> Mainly foreign players with strong understanding of advisory services Offerings are mainly managed/structured products Typically high entry barriers Focus on the UHNI segment
Global investment banks	Weak	<ul style="list-style-type: none"> Focus on the UHNI segment Institutional approach to serve clients with investment banking products
Brokers/dealer discount/online brokers	Strong	<ul style="list-style-type: none"> Large number of players Focus on the mass affluent segment Mainly offer mutual fund products
National distributors	Strong	<ul style="list-style-type: none"> Some firms are affiliated to a brokerage firm with a large network of sub-brokers Large firms with extensive distribution network Multiple products
Family office	Weak	<ul style="list-style-type: none"> Holistic advisory services for specific client segments such as entrepreneurs
Robo-advisors	Upcoming	<ul style="list-style-type: none"> Fully automated or hybrid investment managers Algorithm-based advice without human intervention Suitable for small-ticket retail investors Available at a lower cost Consistent and transparent advice
Others (independent funds/insurance advisors, Etc.)	Medium	<ul style="list-style-type: none"> Very low entry barriers Commission-driven model No dedicated wealth management offering

Source – RHP

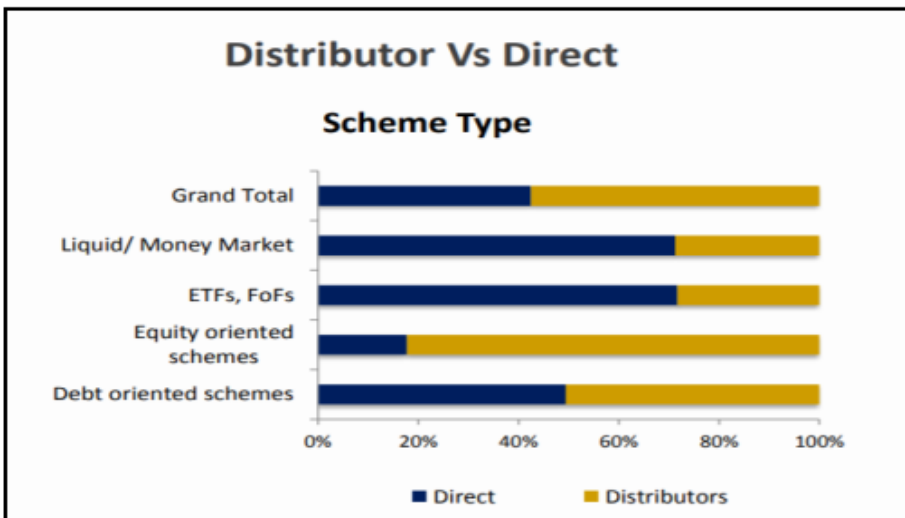
Mutual Fund Penetration of various Countries CY2020 – AUM to GDP


Source – RHP

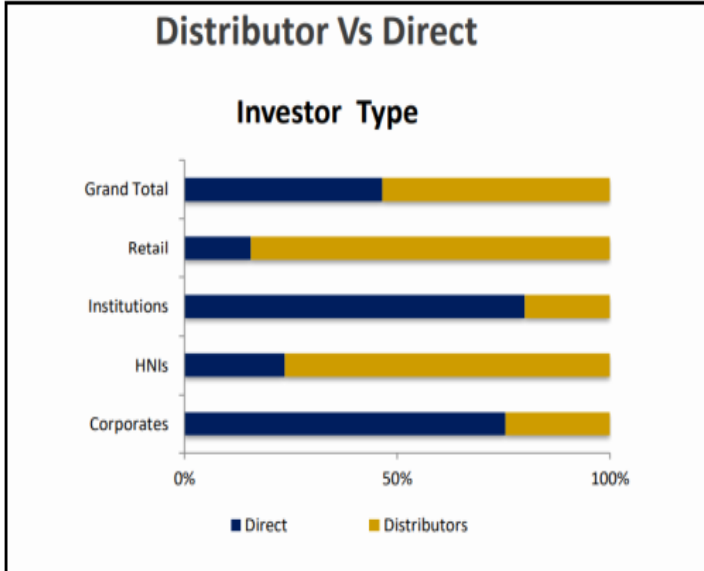
Distributors - Key to drive growth of MF Industry September - 2019


Source – RHP

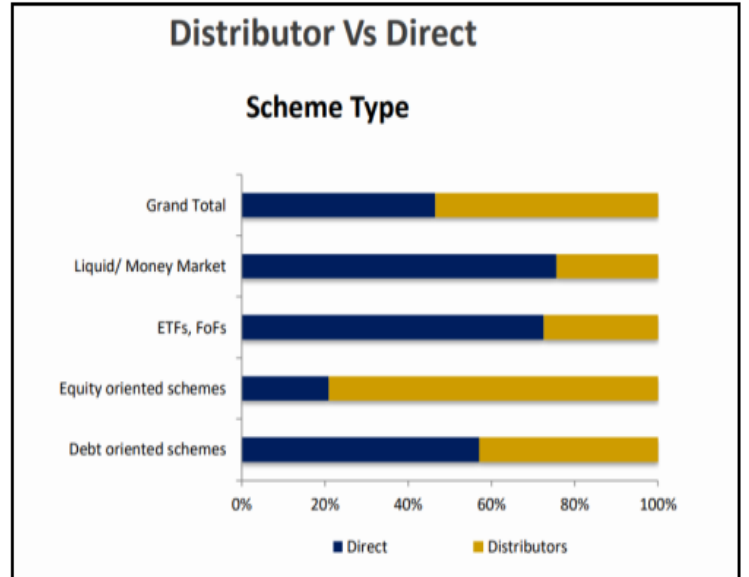
About 13% of the retail investors chose to invest directly, while 22% of HNI assets were invested directly.



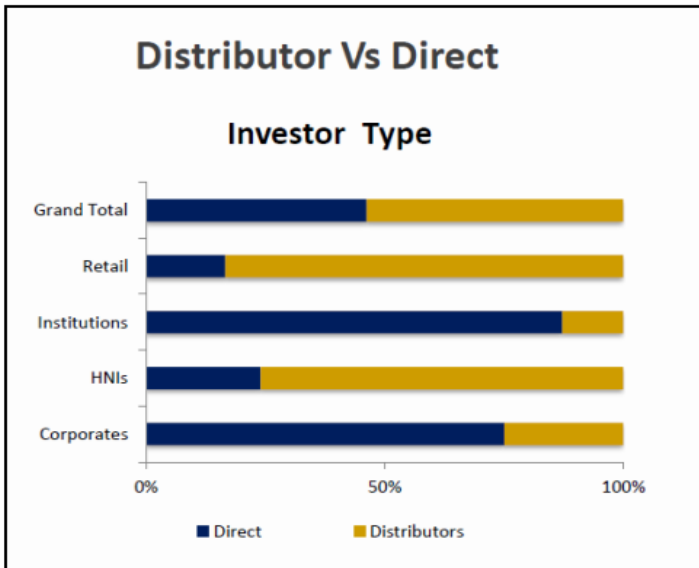
Source – RHP

March - 2021


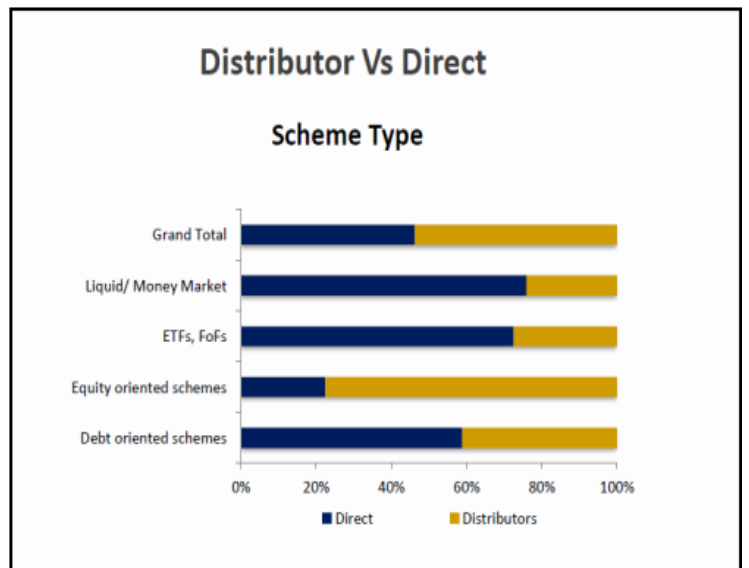
Source – RHP



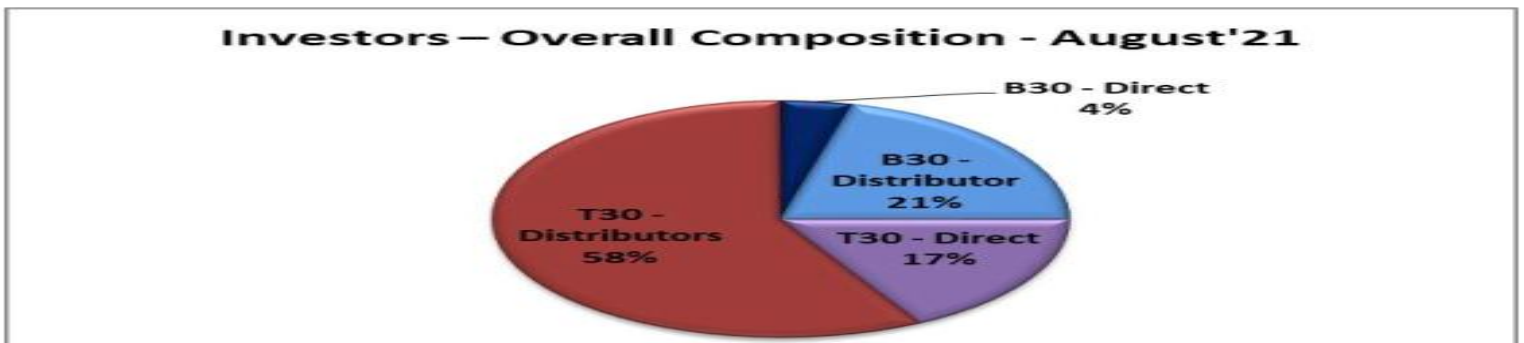
Source – RHP

August - 2021


Source – RHP



Source – RHP

Investors – Overall Composition


Source – RHP

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