Anand Rathi Wealth Limited
Conference Call
January 07, 2022

Q3 & 9MFY22 Earnings Conference call

Management

1. Mr. Anand Rathi, Founder and Chairman, Anand Rathi Wealth Limited
2. Mr. Amit Rathi – Director, Anand Rathi Wealth Limited
3. Mr. Rakesh Rawal – Chief Executive Officer, Anand Rathi Wealth Limited
4. Mr. Feroze Azeez – Deputy Chief Executive Officer, Anand Rathi Wealth Limited
5. Mr. Jugal Mantri – Group Chief Financial Officer, Anand Rathi Group
6. Mr. Rajesh Bhutara – Chief Financial Officer, Anand Rathi Wealth Limited

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Moderator: Good evening ladies and gentlemen. I am Rituja, moderator for this conference. Welcome to the conference call of Anand Rathi Wealth Limited, arranged by Concept Investor Relations to discuss its results for the third quarter and nine months ended December 31st, 2021.

From the Management Team, we have with us today, Mr. Anand Rathi, Founder and Chairman; Anand Rathi Wealth Limited; Mr. Amit Rathi – Director, Anand Rathi Wealth Limited; Mr. Rakesh Rawal – Chief Executive Officer, Anand Rathi Wealth Limited, Mr. Feroze Azeez – Deputy Chief Executive Officer, Anand Rathi Wealth Limited; Mr. Jugal Mantri – Group Chief Financial Officer, Anand Rathi Group; and Mr. Rajesh Bhutara – Chief Financial Officer Anand Rathi Wealth Limited.

This conference call may contain forward looking statements about the company, which are based on the belief, opinions and expectations of the company, as on date of this call. The statements are not the guarantee of future performance and involved risks and uncertainties that are difficult to predict. At this moment, all participants are in listen only mode. Later we will conduct a question-and-answer session. At that time, if you have a question, please press '*'and '1'on a telephone keypad. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Anand Rathi, Founder and Chairman. Thank you and over to you, sir.

Anand Rathi: Thank you Rituja. Good evening, ladies and gentlemen and all esteemed analysts who have come to attend our first meeting, post listing of equity shares of our company. Friends, you might be aware that we started our Wealth business back in 2002 and we have built it up in last 20 years to a good level, and evolved very unique philosophy in managing wealth. I still recall my old days when I used to meet a lot of analysts in my Birla Group as President of Indian Rayon days and it's always been a pleasure to be amongst analysts. Though, we are not able to meet physically, which I would love to do, but still it's a great feeling to meet here. I've always learned a lot of things while talking to analyst and got a lot of insights while talking to you. So, friends, today, we are going to talk to you about performance for the third quarter and the nine months of the current financial year and for making the presentations on the business and our performance, I would request Amit Rathi to please do that and after that, the Q&A will follow. Thank you and it is a pleasure to welcome you once again. Over to your Amit.

Amit Rathi: Thank you. Hello, everyone and thank you for joining us on our first earnings release call. It's actually interesting to be on the other side of the table for a change presenting quarterly results, different feeling, but coming to the numbers, I think we've had a strong performance or performance across all metrics in the business. As you guys would have seen, our consolidated revenues for the third quarter was almost Rs.108.7 crores which was up 55% y-o-y and for the nine-month period was Rs.310.9 crores which was also 54% y-o-y growth with a strong source of revenue growth, profits were also up to Rs.32 crores for the third quarter and then 144% y-o-y growth there and for nine month period we had a Rs.92.2 crores PAT which is of 168% y-o-y growth. Overall, I think ratios are all looking good ROE (annualised) for the nine-month period was in excess of 40%. This is really backed by strong AUM growth. Our AUM was up 28% year on year Rs.32,171 crores, within which I think we saw very strong growth in equity mutual funds. We had almost a 63% y-o-y growth in equity MF AUM in our overall pie. Client additions were very strong. We added almost 800 families in the first nine months. We had a record 988 additions in the last financial year. I think we're on track hopefully to beat that number this year and on the flip side, I think also client attrition as a percentage of AUM is low, it's been just about 1% of AUM for the first nine months. On the RM side as well, we added about 20 RMs this year, most of whom were from our account managers and I think as a matter of policy, we believe this will be our single largest source of future RMs and this is our competitive strength. Our regret RM percentage also has been around, one - one and a half percent. So things have been steady on the client and RM side. Overall performance has been fairly strong. On the product side, we've been able to successfully diversify our sourcing of MLDs, from some unrelated issuers as well, in the last quarter. Our intent is to move that business to about 50% of the overall MLDs distribution that we do. We continue to evaluate some degree of diversification in the product basket, but something that meets our overall objective of liquidity and risk adjusted returns for customers. On our two Fintech subsidiaries, I think they are also very interestingly poised, as we can clearly see that technology is starting to play a big role in the wealth and sort of the whole intermediation business. The digital wealth subsidiary, is the direct offshoot of the private wealth business. Here we take the same proposition to the mass affluent customers using tech. Mass affluent customers being customers typically in the range of Rs.20 to 30 lakhs. The entire offering is end-to-end digital, using apps, videos and algorithms and this business has also witnessed robust growth. We've seen a 38% y-o-y growth in AUM there to Rs.800 odd crores across the three and half thousand clients. Average client size here being about Rs.20 lakh. Our other subsidiary OFA is India's largest SaaS platform where our tech and apps have become the entire sort of back office and front office for the IFA and their customers. Today, we have over 5,000 IFAs with about 1.69 million clients on the platform, AUM of mutual funds alone is about Rs. 85,000 crores bulk of which is equity mutual funds. So I think overall to sum up, our performance sort of reinforces our long term commitment to our strategy and to the client proposition that we have. We all know that the macro tailwinds in this business are huge, the kind of wealth creation that's happening within India - number of dollar millionaires sort of doubling every three - four years. So I think it's important within that there was strategy, we really focused on it and as said, how do we build a business that is highly differentiated, and sustainable, and also have the ability to write this way for the next 10-20 years. I think we've met a lot of you guys, during the roadshows, but just to sort of reiterate, our private wealth vertical, uniquely target customers in the Rs.5 to 50 crore investable surplus segment. These are customers who we think value advice, and are willing to pay for advice. This is not a segment that is as competitive and a lot of people are going either after the UHNI client space, which is typically the Rs.50 to a few 100 crores, or the retail space. This is a space where we find the competitive intensity not being high and also the slow to build business, but a far stickier business. If one can build it successfully, you will also see that the ease that they enjoy in this business are significantly higher than what typically is portrayed by competition. The other, we are offering is completely templated almost like a consumer product, which allows for three things. One is for scalability, our ability to sort of scale this business through trained RMs, build sort of effective go to market strategies, and also consistent client outcomes. Secondly, whether a client comes to an RM in Chandigarh or in Bangalore, or in Calcutta, or in Mumbai, how can they have the same experience, irrespective of whom they're sort of meeting within Anand Rathi. And thirdly, of course, is we made major tech investments that not only hedge sort of the business prospects, but give a competitive edge and also an ability to build market leading positions in adjacent client segments. So I think, we consistently are focused on the simple things that we're doing and, we believe that the business generally, not just for us, but I think for everyone business has the ability to compound at 20-25% per annum for the next decade easily. If you've seen our deck, you'll see a slide there on the AUM Bridge, which shows the AUM growth. It breaks down the components, how we look at this business, when you look at 12 to 14% annualized sort of market growth in a AUM across more cycles, and 10 to 12%, new additions of assets from existing and new customers, which means that this business can potentially double in three to four years, , but the key, of course, execution, and being long term greedy and not taking shortcuts, which is what we're really focused on as a business and that's what we're doing for the last 8-10 years collectively as a team and I think for this performance I would like to thank all my team members, all the RMs and clients and a lot of people have been very supportive, including through the IPO process and with that, I think for myself, I'm done. I'm happy to take questions as a team.

Moderator: We will now begin the question and answer session. Anyone who wishes to ask a question may press * and 1 on their touchstone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Abhay Mehta from ANECO Industries Private Limited, please go ahead.

Abhay Mehta: I would like to know how you see the thing from April 2022 of the next year. As the company's performance, how do you see the first quarter of the next financial year that is April, May and June 2022.

Amit Rathi: We've given guidance for the current full year and for the next year, it is difficult to predict what the first quarter of next year will be, but I think if you look at our overall guidance, we are looking at 20% sort of top line growth, a little over 20% top line growth next year and about 25% PAT growth for the next financial year.

Moderator: The next question is from the line of Devesh Agarwal from IIFL Securities, please go ahead.

Devesh Agarwal: Hello, good afternoon sir. Many congratulations on a strong set of numbers. I just wanted to better understand the revenues. So if you could give us an idea of breakup in terms of how did the revenue shape up between mutual funds and MLDs and the sales that we achieved in the quarter and nine months on the MLD side?

Amit Rathi: I think overall our mix has been gradually moving towards mutual fund trail. The logic, two product, which we do and as we continue to add more products going forward, but at this point of time the two products that we do, in last quarter MLDs number was around 57% of revenues. The balance was others. And, I think this number has come down from 65 - 67% of revenues. Our target is to increase our book of mutual funds consistently and I think markets have been supportive. One of the metrics that we're actually tracking is, our trail income and I think we've shared that in a deck as well where our objective is to get to a point where 100% of our fixed cost base is covered by mutual fund trail itself. So, last quarter, I think that number stood at 86% and the objective is to sort of get that to 100%. Overall, I don't think we share sales data at a product level, but AUM is there in the deck.

Devesh Agarwal: Understood sir, and in terms of cost to income ratio, we have seen a significant improvement this year. So are these numbers sustainable, or there are some one-off benefits that has led to this improvement.

Amit Rathi: So there are no one off benefits. In some ways last year was a little more one off. I think this business, if you look at outside or the law of fixed costs, the operating leverage kicks in, right. Also market doesn't go up in a straight line fashion. So we look at market performance over cycles. You might have two or three years of the market has flat or negative returns, but, in the fourth year, suddenly you'll see a 60-70% jump by which means your trail incomes and all your income sort of tend to go up. So I think a lot of the cost structures have remained constant as theirs is no one-off. It’s simply the operating leverage that has kicked in at this scale of business and we think this will sustain going forward.

Moderator: Thank you. The next question is from the line of Prayesh Jain, from Motilal Oswal, please go ahead.

Prayesh Jain: Particularly different thoughts on yield going ahead as to how do you see overall yield for the company? You mentioned that, MLD will be lower going ahead and also the second question will be on, you mentioned about new products that you would like to incorporate into your revenue models going ahead. So what are these new products and how do you see yield in them?

Feroze Azeez: So when it comes to the MLDs, it's not that we expect a reduction in MLD revenue. It is, the growth of mutual fund revenue should be greater than the MLD business revenue. Like for an example, last nine months, our trail from mutual funds, year on year, have gone up, about 79.2% at a faster pace than the MLD or other securities business. That's point one, point two, we think that the yields which are there 1.2 - 1.3 odd percent are very much sustainable across product classes. The third point is what other products, we are evaluating. On a serious note, we are evaluating PMS as a new offering, and we are like Amit said that we are very particular about the risk reward, and also the efficiency that's one of the products which is being evaluated and so are the AIFs being evaluated for an inclusion at a point in time when they pass the filters of product approval.

Prayesh Jain: Alright, that's helpful. In terms of you talking about mutual fund, seeing a faster growth, my understanding would be a mutual fund yield should be lower than the MLD yield. So that does not mean that your overall yield is going to be reduced, and secondly, as a PMS, as an AIFs will have a higher income, would that be an offsetting impact to your overall yield?

Amit Rathi: So I think, if I can take that, Feroze and Rakesh you can add to that. I think, overall, this business, segment that we operate in, I think that 1.2 to 1.3 to 1.4 percent that's the yields, that we think, steady state, we should be able to manage. Now, product basket will keep evolving based on market conditions, but I think within that, we should be comfortable. I don't see significant shift for the yields, get dramatically impacted either way, because even if you look at mutual funds today, our yields, are reasonably high, we're still at 90 bps and higher and there's some degree of inefficiency because a lot of customers who come to us with change of broker code, where we don’t earn commission, so a lot of assets, sitting with zero sort of yields. As we sort of optimize that, and get customers into more of a recommended schemes, that efficiency which we can optimize. So I don't think, overall directionally, the product basket changing over a period of time will be impacting yields materially.

Prayesh Jain: Another point, in mutual fund part incrementally we are seeing HNI wanting to take the direct route for investments in mutual funds. Do you see that happening and how do you compete in different environments?

Amit Rathi: So let me bring it in two parts and I think Feroze can take the latter part. The first part is really, what we're selling to customers is an overall solution, the products within that are not important from a customer's perspective, , whether it is mutual funds or PMS tomorrow or MLDs or whatever. End of the day, the focus on the customer and our solution is can we get customers to let’s say 12%-13% long term compounded return. Now, within that if customers are confident that you can actually do that. If you look at our customer additions over the last two - three years, we've had record additions from our own, historical perspective, about record additions and customers are willing to pay us. I think the challenge is more probably at the ultra HNI space where the customer is buying a product rather than advice. A lot of advice is very incidental to the product that they're buying, or in the retail space where there was actually no advice or anything available at all and then there are a lot of digital offerings are sort of impacting that. The space that at least we are in, we are not seeing that as a challenge and a lot of our customers, I mean, these are customers of very fairly financial literate, a lot of them are CXO , CFO, CEOs of large companies, successful entrepreneurs in major cities. So we're not seeing that as a challenge.

Feroze Azeez: Point one**,** since the direct route has been available since 2013 and we have built this business reasonably over the last few years in the mutual fund on the regular route, like Amit said, as long as the portfolio objectives are being met, the client is very satisfied. Point two is that, especially after October 2020, when other competitors had to surrender their advisory licenses largely, it has actually reduced competitive intensity on the direct mode.

Prayesh Jain: And just last question, in the Anand Rathi OFA platform, we talked about Rs.85,000 crores of platform assets. How do you make the revenues on this and that's the size of the business?

Amit Rathi: So right now, what we do is only charge a software subscription fee for the platform. So what we're doing is essentially, building a network, digital network of IFAs, and then customers in IFAs, there are several other monetization opportunities that one can think of, but that's from our strategy perspective. We are holding on to that for a year or two before we scale even further, but there could be several monetization opportunities sitting there.

Prayesh Jain: So what was the size of this business in, say, nine months, in terms of revenues and SaaS.

Amit Rathi: So each IFA, we would charge an average of let's say, 1000 rupees a month, to give you a sense. So it is a pure software SaaS business. So in other ways, today try to build out a broker, sub broker model, like a Prudent or an NJ, 30 years back, it make sense, and we approach this business very differently and we said today, the biggest challenge IFAs are facing, and these are the IFAs that have chosen to remain independent, who are not part of an aggregation network. The biggest challenge they're facing is tech, the competition that are facing is from tech startups, going after the customer with sort of these digital offerings, and which is what we sort of aim for. Now, the network can be built on up sell advisory solutions, brokerage, sub-brokerage solutions, loan products, a lot of other stuff that one can do here with this. But at this point in time this business is marginal revenue contributor, but the objective is, this revenue is not the core part of the strategy. Right now, it is really sort kind of building scale within this business.

Moderator: The next question is from the line of Umang Shah from Kotak Mutual Fund, please go ahead.

Umang Shah: Thanks for the opportunity and congratulations on a good quarter. I have two questions. One is already answered, I just have one. If I look at the AUM split in the presentation deck, it mentions about equity and debt MF and then there is other securities and others so what would be others? I'm assuming other securities is MLDs, then what would be others?

Amit Rathi: Others would be stuff lying in the demat account, which is from our perspective waiting to be transitioned itto our, managed portfolios. So, it could be, when customers come in Umang, they come in with stocks, bonds; that they might hold elsewhere, or whatever securities that they hold. So, when they come in, they will do a transfer of assets in and there will be a small percentage of the assets which are sitting there, which are not a part of our traditional advisory process.

Umang Shah: And so these are, like the custodial assets of the clients and the second question was related to PMS. Just wanted to understand from a medium to long term perspective, do we see manufacturing as an opportunity or our focus will only remain on distribution?

Amit Rathi: So on manufacturing, I think whether we can do to traditional manufacturing is something that we don't believe at this point is the right way for us to go. There are enough manufacturers available in the outside community and as a business that requires a different level of scale wherever we can provide an edge is something that we could look at as a manufacturers. Because any manufacturer product also your yield would be two to two and a half percent, including manufacturing income, so anything which is differentiated, something that we continue to evaluate and work on, on an ongoing basis, but we will not do the traditional long only stuff.

Moderator: The next question is from the line of Franklin Moraes, Equentis Wealth Advisory. Please go ahead.

Franklin Moraes: So if I look at the revenue trends in FY18 to FY20, we saw a good increase in revenues, but FY21, there was a dip in revenues and that's coinciding with also the reduction in RMs. So, is that specifically got to do with COVID or has that been largely because of RM reduction?

Rakesh Rawal: I think the number of RMs coming down was all triggered by COVID. Then we sort of looked at our people and every company, I suppose our company as well looked at inefficiencies and therefore, took action accordingly both in terms of manpower costs as well as other costs. So, some of the reduction is on account of that, and the revenues down is on account of the trail incomes being down on account of the huge market fall that happened. Does that answer.

Franklin Moraes: Yeah sir that’s very helpful. Sir, secondly, if I look at the RMs we have increased 20 RMs for the last nine months, and there has also been a conversion from AMs to RMs. So, wanted to understand what is the criteria for for a conversion of an AM to RM and what could be the average tenure of these AMs which have been converted?

Rakesh Rawal: Well, the AMs normally spend about three to four years with us and then we promote them depending on their aptitude and then they are mentored by the corresponding RMs to take them, see them through becoming profitable RMs.

Franklin Moraes: Yeah, but is there some, like base business or anything of that sort they need to generate.

Rakesh Rawal: Normally, what happens is that the RMs who were mentoring them transfers Rs.10 to 12 crores or Rs.15 crores of assets and clients to them as a starting capital so, to say. Then they cold call and get new clients and our sense is that within about one and a half years or so, they should get to about Rs.40 crores.

Amit Rathi: So, if I just add that, I think, our strategy there is both of our AM pool today we are hiring very aggressively, mix of management graduates from top business schools, including IIMs, chartered accountants who come in. And these are basically while they're doing their role as account manager, there in some ways learning business. Anand Rathi way of doing business, learning how successful RMs upgrade their books, and how they sort of done that, and towards that journey, as the aptitude is fluent. These are inherently very sharp guys, they start off with a small base, but are able to quickly grow and become viable independently. Second, from our perspective, it's a lower cost and a more sustainable way of creating RMs. Because the challenge in the business is, how do you get enough trained RMs to understand your way of doing business or infiltrated into the culture and stick with a long period of time. So even today, amongst our top 10 RMs, 60-70%, I mean, our most RMs are actually involved in our current to sort of start the journey within Anand Rathi.

Franklin Moraes: And last question from my end is, we are getting into newer segments like AIF, PMS and so on, which are kind of, slightly more volatile in terms of revenue recognition. So, while we are quite hopeful and positive about like a 10 years CAGR of being around 20 to 25%. Is there a way to kind of iron out the volatility in revenues?

Amit Rathi: Some of these we will not do products like trade. So we are not looking at, for example, would we do a technology Pre-IPO fund, I don't see ourselves doing something like that. Would we do startup fund or a distressed fund, I don't think we see us doing, what is more a flavor of the season, kind of AIF, alternative opportunity for something; one of the filters that we have used so far is the underlying investment to be liquid. So there is client's ability to get in and out has to be unrestricted. The second element has been that, look, there needs to be enough risk adjusted performance data backing this up, right. Can we look at last 10 years, 20 years, 30 years of data, I think this is how this will perform and can it become a long term future within the allocation rather than a tactical two year three year thing and even then we will look at some of these things, they will come in focus from a really long term perspective, rather than opportunistic sort of distribution opportunities. They will be more something that fits in to the portfolio from a long term perspective, over a 5-10 year perspective. That's the only kind of product that will kind of come in, if at all. So I don't think that will create any volatility around revenues. I think our ability to have visibility over cycles, that's something that we're seeing remains an integral part of the business.

Moderator: The next question is from the line of Parth an individual, investor, please go ahead.

Parth: The native growth from existing clients, seems a bit on the softer side at Rs.18 lakh average per client in the first nine months of FY22 given the fact that our clients attrition is not much so while the growth seems a bit on a weaker side, from the existing clients.

Amit Rathi: I think as a percentage of AUM, if you look at about 4-5% odd so in a year, if we get, between 5 to 10%, of fresh assets from existing clients, that's been historically a good number, because what happens is, lot of our clients also have requirements as well. So attrition is of customers who moved out of the system. But you also have customers who have life events, somebody has got a wedding in the family, somebody has got something where people also like, net number, usually the 5 to 10% is number is fairly healthy number from existing clients.

Parth: And what would be the fresh MLD distribution in the nine months of FY22?

Amit Rathi: So that number we don't share. The cost estimate on overall number, that's out there.

Parth: You had invested around Rs.100 crores in one of the group companies back in FY20 as per DRHP. So, what was the intention behind investing in this company and are we planning to make it a subsidiary?

Amit Rathi: No, that was our investment in the group NBFC. And at that point of time, the investment was made, the wealth entity was a privately held entity and had a fair amount of cash and the NBFC was something we were looking to capitalize. But this is only to invest from here rather than dividend up and pay 40% tax and invest the net amount. So there's no further investment that's going to happen and whenever there's a liquidity event, in the NBFC, we will look at opportunities to even reduce the exposure here. But there's no fresh investment on this entity.

Anand Rathi: Just to add Amit, this entity where it has invested did a rights issue just recently, but the wealth business has not participated in the rights issue and kept the investment at the same level and has not increased.

Moderator: The next question is from the line of Ashutosh Pandey from JM Financial. Please go ahead.

Ashutosh Pandey: I just wanted to understand, what's the ratio of our trail and transactional AUM?

Amit Rathi: So our mutual fund income is pretty much trail, that number is about 40 to 41% for the last quarter which is the mutual fund trail. Our transactional income is slightly different when you compare it to what is traditionally classified as transactional income, because the transactional income for us also come from products like MLDs, which are recurring in nature. So it's not a new transaction that we need to sort. The client has a product A which matures, three years later, and the client is going to get into a fresh product of a similar nature at that point when it matures. So it's not like you have to find a new product or you have to do equity trading, or you do something which is opposite to it and generate the contractual income even the rest of the income is actually in some ways has fairly good visibility in on maturity, when it matures, the customer actually rolls over to have a fresh product.

Moderator: The next question is from the line of Rohan Mandora from Equirus, please go ahead.

Rohan Mandora: So is it possible to share AUM bridge for the mutual fund assets? We are having the AUM bright that you have shown on slide number 11.

Amit Rathi: No, We are not showing product level sales. It's just an overall AUM level that we are showing.

Rohan Mandora: Because if you were to look at the data, there's been a movement in the mutual fund mix between say the equity and debt, the shift is getting more towards the equity oriented mutual funds. So, if you will just talk about how is that trend moving and are we going to have more share of equity mutual fund incrementally.

Feroze Azeez: Yes. So, out of the Rs.18,899 crores of equity mutual funds, the proportion of equity net sales would be greater given the lower debt yield. Yes, you are right in assuming that there will be a larger net mobilization on equity mutual funds.

Anand Rathi: And you can see from the statement that the share of equity mutual fund percentage has moved from 36% to 44%.

Moderator: The next question is from the line of Prayesh Jain, from Motilal Oswal, please go ahead.

Prayesh Jain: Yeah sir, just a follow up on this question in regards could you really explain the revenue model for MLD.

Feroze Azeez: The MLDs which are sold from the issuer, now an external issuer as well are bought and then sold at with the income. So it will be categorized as trading securities that's why it's mentioned as other securities. So you buy a security and then with a 1.2-1.3% p.a mark up, the securities are sold to our clients.

Prayesh Jain: And then when it gets matured what happens at that point of time?

Feroze Azeez: The issuer buys them back.

Prayesh Jain: And what would be the cash on the balance sheet as of end of December.

Jugal Mantri: So it was Rs. 86 crores that was the cash flow which we have generated.

Prayesh Jain: On the balance sheet, how much you got?

Jugal Mantri: The cash and cash equivalents were Rs. 60 crores plus we had fixed deposits of Rs. 70 crores. So, it was total Rs. 130 crores worth cash and cash equivalent.

Moderator: As there are no further questions, I would now like to hand over the call to the management for closing comments.

Anand Rathi: Thank you and I request Rakesh to thank and make the closing remarks.

Rakesh Rawal: Well, I am absolutely delighted to be here in the first investor conference post listing and I am also delighted that the numbers that we presented were to the liking of many. I would like to thank each and every one of you who have participated in this conference, and hope that we have been able to satisfactorily answer some of the queries that you might have had and would build confidence within yourself as well as your investors. I think Amit very rightly said that there is, very high potential for this business and that we as management would endeavor to sort of capture that potential and have a decent growth in our business in the years to come. Also, I think that we would be having a higher proportion of trail business as we go along and less of transactional business. Significant part of that transactional business is repurchase and therefore not as risky as other transactional businesses. Once again, thank you very much for joining us on this on this conference and look forward to your participation in the future as well. Thank you.

Anand Rathi: Thanks, everybody, once again, from all of us for joining and participating.

Moderator: Thank you all for being a part of the conference calls. If you need any further information or clarification, please email on vishalsanghavi@rathi.com or at rajeshbhutara@rathi.com**.** Ladies and gentlemen, this concludes your conference for today. Thank you for using Chorus Call Conferencing Services. You may now disconnect your lines. Thank you and have a pleasant day.

---**Thank You**---