ANAND RATHI

January 28, 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: Intimation regarding update in Credit Rating of the Company

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL, a Credit Rating Agency, vide its letter dated January 27, 2026 addressed to the Company, has assigned the following ratings to the bank facilities and Commercial Paper of the Company;

Instrument Description	Size of Issue	Rating Assigned
Bank loan facilities	INR 1400 crore	CRISIL A/Stable (Assigned)
Commercial Paper	INR 100 crore	CRISIL A1 (Re-affirmed)

We enclose herewith the Credit Rating letters issued by CRISIL Ratings Limited.

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: 2026.01.28 18:20:04 +05'30'

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

Enclosed: CRISIL Letter dated January 27, 2026

Crisil Ratings

Rating Rationale

January 27, 2026 | Mumbai

Anand Rathi Share and Stock Brokers Limited

'Crisil A / Stable' assigned to Bank Debt; CP Reaffirmed

Rating Action

Total Bank Loan Facilities Rated	**Rs.1400 Crore**
Long Term Rating	**Crisil A/Stable (Assigned)**

Rs.100 Crore Commercial Paper	**Crisil A1 (Reaffirmed)**

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.
1 crore = 10 million
Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has assigned its '**Crisil A/Stable**' rating to the long term bank loan facilities of Anand Rathi Share and Stock Brokers Ltd (ARSSBL). Rating on the commercial paper programme have been reaffirmed at 'Crisil A1'.

The rating factors in strong operational and financial linkages of ARSSBL with the parent, Anand Rathi Financial Services Ltd (ARFSL), which has an established presence and track record in capital market businesses with a diversified business risk profile, sound risk management systems supported by an experienced senior management and adequate capital position for current and planned scale of operations.

These strengths are partially offset by a moderate, albeit, improving earnings profile and inherent market and regulatory risks.

The parent entity — ARFSL — provides a broad spectrum of services. It has a 30-year track record in the capital markets business through ARSSBL and over time, it has diversified into other financial services like lending, through another subsidiary — Anand Rathi Global Finance Ltd (ARGFL). On the liability side, they have been issuing non-principal protected market-linked debentures (MLD) through ARGFL for the last 12 years which forms around 90% of the total borrowings of ARFSL. The product is designed to generate market-linked returns for investors. ARFSL and its subsidiaries have a proficient team of senior management led by Mr Anand Rathi and Mr Pradeep Gupta. Their risk management systems (RMS) are adequate with system triggered square offs for cases where the collateral coverage goes below 85%. They apply prudent haircut on share collateral with minimum haircut of 23% or higher as defined with the exchange.

ARSSBL has adequate capitalisation, as reflected in networth of Rs 1,346 crore as on December 31, 2025, as against Rs 507 crore as on March 31, 2025. The increase in networth is owing to primary infusion of Rs 745 crore at the time of initial public offer on September 30, 2025.

The company has a moderate, albeit improving, earnings profile with reported profit after tax (PAT) of Rs 104 crore for fiscal 2025 against Rs 79 crore for fiscal 2024. PAT in the nine months of fiscal 2026 remained healthy at Rs 90 crore. The return on equity (RoE) stood at 24%, 23% and 22%[1] (adjusted and annualised), respectively during these periods. The retail broking business operates through a hybrid model, comprising a network of proprietary branches and an extensive franchise network. This business model results in a relatively high cost-to-income ratio of 80%.

[1]The RoE as per reported numbers is 13% but there was an infusion of Rs 745 crore on September 30, 2025, excluding the impact of infusion the adjusted annualised RoE is 22% for the nine months of fiscal 2026.

Analytical Approach

Crisil Ratings has assessed the standalone business and financial risk profiles of ARSSBL. Furthermore, the ratings factor in the expectation of strong support from the parent, ARFSL. This is because ARSSBL and ARFSL have extensive business and operational linkages and a common brand. Crisil Ratings believes that ARFSL will continue to provide support to ARSSBL considering the strategic importance of the entity and shared name and majority shareholding.

Key Rating Drivers - Strengths

Strategic importance to, and expectation of strong support from, the parent ARFSL

The rating factors in the strategic importance of ARSSBL to, and the expectation of strong support from, the parent, ARFSL, both on an ongoing basis and in the event of distress. ARSSBL is likely to benefit from the linkages with ARFSL both on the business and financial front. On a consolidated basis, ARFSL has adequate capitalisation, with reported networth of Rs 7,858 crore (adjusted networth[2] of Rs 3,853 crore) as on September 30, 2025, as against Rs 5,321 crore (adjusted networth[2] 2,612 crore) as on March 31, 2025.

ARFSL and its subsidiaries have an established track record and are diversified across multiple financial segments. The broking business through ARSSBL commenced in 1994. The overall market share in both the cash and derivatives segments stood at 0.3% for fiscal 2025, with higher market share in the cash segment at 0.9% as 96% of the active clients trade in cash segment. It also has a modest presence in the commodity and currency segment.

The group’s other key subsidiary, ARGFL, is a non-banking financial company (NBFC) offering loan against security (LAS), loan against property, construction finance and lending to financial institutions.

On the liabilities side, MLDs raised through ARGFL, form the majority component of borrowings. These MLDs are partially allocated to lending and treasury businesses, with the latter primarily invested in government securities used as collateral for derivative hedging strategies.

Aside from these, the group engages in insurance broking, merchant banking, distribution and portfolio management services via respective subsidiaries.

With gradual scale up of fund-based businesses and the presence of fee-based businesses, the consolidated entity has a diversified earnings profile. Interest income from the lending book, margin trade funding (MTF) book, government securities and banks forms the largest component of revenue at 63%, broking income, including insurance broking forms 24%, fee income from distribution and advisory forms 3% and the balance 10% is from other income sources.

Any change in the extent of ARFSL’s support to ARSSBL and/or reduction in shareholding will remain key rating sensitivity factors.

Sound risk management systems led by an experienced senior management
All the Securities and Exchange Board of India (SEBI) and exchange-prescribed regulations have been adhered to by instilling requisite systems and processes. The entity sets client trading limits upfront and monitors client exposure on a real-time basis. It also sets scrip-wise exposure limit to keep a check on illiquid scrips or scrips under any kind of surveillance. Upfront margin, with peak margin, is collected necessarily and clients are required to maintain adequate margin as prescribed by exchanges. In case of adverse or volatile price movements, real-time risk-based auto square off could be initiated at any time during the day. The sound risk management system has resulted in nil quarterly loss since inception.

The group’s senior management team comprises Mr Anand Rathi, the founder promoter has five decades of industry experience. The other promoter is his son-in-law, Mr Pradeep Gupta, who also possesses a wealth of experience spanning approximately three decades in the capital market business. Their extensive expertise and in-depth knowledge of the industry have been instrumental in shaping the group's strategic direction and growth. Additionally, the group is supported by a strong and experienced senior management team, which provides stability and continuity to the organisation. The promoters also maintain a hands-on approach, closely monitoring and overseeing the operations across the group.

Adequate capitalisation for the current and planned scale of operations
The company's adequate capitalisation, as reflected in ARSSBL's networth of Rs 1,346 crore as on December 31, 2025, enhanced from Rs 507 crore as on March 31, 2025. The significant increase in networth is attributed to the primary issuance of Rs 745 crore in September 2025, which was raised through the listing of shares on the stock exchange via an initial public offer (IPO). Considering the nature of the business, the current networth is deemed sufficient to support the company's existing and planned scale of operations. Furthermore, the gearing is relatively low at 0.6 time as on December 31, 2025; this is largely due to the limited reliance on fund-based borrowings, as the company primarily utilises non-fund-based facilities to meet its margin requirements.

That said, in addition to the standalone networth, the entity has continued support from the parent in terms of liquidity.

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[2] *Reported networth less investment value of Anand Rathi Wealth Ltd shares plus its corresponding deferred tax impact*

Key Rating Drivers - Weaknesses
Average, albeit improving, earnings with risk associated with capital market business
The company’s revenue mix is diversified across broking income (~52%), and interest income on margin trade funding book (~18%), distribution income (~10%) and other income (primarily float interest income, 20%). The total income grew to Rs 845 crore in fiscal 2025 from Rs 683 crore in fiscal 2024, logging a 24% increase in topline, mainly supported by margin trade funding business. The broking entity has reported steady profitability with reported PAT of Rs 104 crore and return on equity (RoE) of 23% for fiscal 2025 against Rs 79 crore and 24%, respectively for fiscal 2024. The PAT for the nine months of fiscal 2026 stood at Rs 90 crore compared with Rs 85 crore for the same period last year and annualised RoE at 22% (adjusted) and 19% during these respective periods. The augmentation of networth resulting from the primary capital infusion via initial public offering (IPO) has led to a dilution of reported RoE at 13% for the nine months of fiscal 2026.

ARSSBL’s cost-to-income ratio remains elevated, in the range of 75–80%. This is on account of its hybrid business model which is a combination of proprietary branches and an extensive franchise leading to an overall fee and commission expenses of 28–30% of the broking income.

The company’s profit grew at 32% in fiscal 2025 as against 102% in the previous year. The subdued growth in profitability was mainly attributable to muted growth in broking income at 8% in fiscal 2025 as against 47% in the previous fiscal. The industry faced a dynamic regulatory environment which led to reduced retail volume thereby impacting the broking income. The same is expected to stabilise in subsequent quarters. ARSSBL’s profit trajectory will be monitorable on this front.

Exposure to inherent market and regulatory risks
Over the past couple of years, the broking industry has witnessed a dynamic regulatory environment. With the objective of enhancing transparency, limiting misuse of funds and safeguarding investor interests, SEBI has introduced a slew of measures on derivatives trading, such as hiking futures and options contract sizes, mandating upfront premium collections from option buyers, limiting weekly index derivatives offered by exchanges to one each, removing the margin benefit available on offsetting positions across different expiries on the expiry day and requiring additional margins on short options contracts on the expiry day.

Additionally, SEBI has introduced flat transaction charges vis-à-vis the slab-wise charge structure followed earlier. There has also been an increase in securities transaction tax that had a direct impact on the earnings profile of the end users. Other tax increases were also levied as part of the budget on the long-term capital gains and short-term capital gains taxes.

Fundamentally, while these revised regulations will benefit the broking industry in the long term by increasing transparency and lowering risks for customers, these changes will increase the compliance costs for brokers and require them to adapt their business models to keep pace. Thus, the group's ability to realign its business strategies to absorb any long-term regulatory impact on transaction volume and higher tax and compliance costs will remain monitorable over the medium term.

Liquidity Adequate
Liquidity of ARSSBL is adequate with cash, bank balance, liquid investments and unutilised bank lines aggregating to Rs 563 crore as on September 30, 2025, against scheduled repayments of Rs 551 crore till March 31, 2026.

Outlook Stable
Anand Rathi Share and Stock Brokers Ltd will continue to maintain healthy capitalisation metrics while benefitting from its modest presence across the capital market businesses and adequate risk management systems. The ability to improve its market position and profitability will have to be monitored.

Rating sensitivity factors
Upward factors
- Upgrade in the view of Crisil Ratings on ARFSL on the basis of scale up in lending business while maintaining asset quality and improving profitability
- Sustained improvement in cost-to-income ratio of ARSSBL to below 60% on a steady-state basis
- Significant scale-up of operations leading to improvement in the market position and earnings profile on a sustained basis

Downward factors
- Downgrade in the view of Crisil Ratings on ARFSL or material change in the shareholding or support philosophy of the parent impacting the quantum and timing of support
- Weakening of the earnings profile or sustained increase in cost-to-income ratio of ARSSBL to over 80%
- Impact on the business risk profile, indicated by sustained drop in market share impacting revenue from core broking operations

About the Parent
The Anand Rathi group is an established brand with over 30 years of track record. It is a diversified financial services conglomerate which is present in various segments of the financial services sector, including non-banking financial services, wealth management, equity, commodity, currency broking, merchant banking portfolio management services and insurance broking. The group has been in the broking business since 1994 with major focus in both cash equity and derivatives market segments. The broking business had a large retail client base of over 9.9 lakh customers as on December 31, 2025. Active clients for the broking business stood at ~96,000 as on December 31, 2025. Assets under management (AUM) of the lending business (excluding MTF book)grew ~63% (on-year) in fiscal 2025 and stood at Rs 7,148 crore as on March 31, 2025, against Rs 4,375 crore a year ago; AUM further increased to Rs 8,387 crore as on September 30, 2025.

ARFSL's consolidated PAT stood at 1,615 crore with RoE of 49% (annualized) for first half of fiscal 2026, Rs 387 crore with RoE of 8.0% for fiscal 2025 and Rs 2,535 crore and 75.0%, respectively, for the previous fiscal. ARFSL has a significant fluctuation in PAT on account of fair valuation of Anand Rathi Wealth Ltd (ARWL) shares (ARFSL holds around 19% stake in this entity). Adjusting for fair value gains on ARWL shares, the normalised pre-tax profit stood at Rs 408 crore, Rs 537 crore and Rs 513 crore for the respective periods.

About the company
ARSSBL was incorporated on November 22, 1991, and was listed on the stock exchange on September 30, 2025. The company offers stock broking, margin trade funding and distribution as its key services. The company is also a trading member of National Stock Exchange of India Ltd, BSE Ltd, Multi Commodity Exchange and National Commodity and Derivatives Exchange and GIFT CITY IIBX exchange. Retail clients and high networth individuals (HNIs) clients were the target customer segment of ARSSBL, and they are spread across 90 branches with 1,100 authorised persons and sub brokers and more than 2,000 employees; it has more than 9.9 lakh customers.

Key Financial Indicators

For the period ended	Unit	December 2025	March 2025	March 2024
Total assets	Rs crore	4959	3,344	2,586
Total income	Rs crore	679	845	683
PAT	Rs crore	90	104	79
Cost to income	%	78%	76%	75%
Return on networth	%	22%^(adjusted)	23%	24%

Gearing	Times	0.6	1.8	2.2

^On an annualised basis

Any other information: Not applicable

Note on complexity levels of the rated instrument:
Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

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Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Commercial Paper	NA	NA	7-365 days	100.00	Simple	Crisil A1
NA	Proposed Long Term Bank Loan Facility&	NA	NA	NA	1400.00	NA	Crisil A/Stable

& - Interchangeable with short term bank loan facility

Annexure - Rating History for last 3 Years

	Current			2026 (History)		2025		2024		2023		Start of 2023
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	1400.0	Crisil A/Stable		--		--		--		--	--
Commercial Paper	ST	100.0	Crisil A1		--	11-12-25	Crisil A1		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility&	**1400**	**Not Applicable**	**Crisil A/Stable**

& - Interchangeable with short term bank loan facility

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for Finance and Securities companies (including approach for financial ratios)

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