DATE: 21ST MAY, 2025

To
Manager - Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai-400051

REF: WEALTH FIRST PORTFOLIO MANAGERS LIMITED

SCRIP CODE: WEALTH

SUB: TRANSCRIPT OF ANALYST/ INVESTOR MEET.

Dear Sir,

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the Transcript of the Earnings Conference Call held on 14th May, 2025.

The same will also be available on the website of the Company www.wealth-firstonline.com.

This is for your information and for information of members / participants and public at large.

Kindly take the same into your records and oblige.

Thanking you.

Yours faithfully,

FOR AND ON BEHALF OF WEALTH FIRST PORTFOLIO MANAGERS LIMITED

ASHISH NAVNITLAL SHAH
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Date: 2025.05.21 19:07:55 +05'30'

ASHISH SHAH
MANAGING DIRECTOR
DIN: 00089075

"Wealth First Portfolio Managers Limited

Q4 and FY25 Earnings Call"

May 14, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 14th May 2025 will prevail."

MANAGEMENT: **MR. ASHISH SHAH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – WEALTH FIRST PORTFOLIO MANAGERS LIMITED**
MR. DHIREN PARIKH – CHIEF FINANCIAL OFFICER -- WEALTH FIRST PORTFOLIO MANAGERS LIMITED
MR. NISHIL PANDYA – HEAD OF BUSINESS DEVELOPMENT STRATEGY – WEALTH FIRST PORTFOLIO MANAGERS LIMITED
MS. SAJNI PATEL – HEAD OF BUSINESS DEVELOPMENT STRATEGY – WEALTH FIRST PORTFOLIO MANAGERS STRATEGIC GROWTH ADVISORS, INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to the Wealth First Portfolio Managers Limited's Earnings Call for Q4 and FY25. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ashish Shah, Managing Director and CEO of Wealth First Portfolio Managers Limited. Thank you and over to you, sir.

Ashish Shah: Hi, Navya. Thank you for the introduction. Good afternoon to everyone. A very warm welcome to all of you and thank you for joining us on Wealth First's first-ever earnings call. This is a significant milestone in our journey and we are grateful to have you with us.

Along with me, this call today are Mr. Dhiren Parikh, our Chief Financial Officer, our Head of Business Development & Strategy, Mr. Nishil Pandya, and Ms. Sajni Patel, and SGA, our Investor Relations Advisor. We hope all of you have had a chance to review our financial results and investor presentation, which have been uploaded on the stock exchanges and our company website.

Before I share my opening remarks, I would like to pause and thank all of our stakeholders, our clients, colleagues, partners, and well-wishers who have played a role in helping us build Wealth First into the institution it is today. Since this is our first earnings call, I would like to take a few minutes to introduce who we are, what we do, how we have evolved, and how we see ourselves within the broader wealth management landscape.

My journey started after completing my mechanical engineering from LD College of Engineering, Ahmedabad, Gujarat, back in the late 80s. On those days, joining a PSU was one of the best career options available. I cleared HPCL, Hindustan Petroleum Corporation Limited open test, in which 20,000 engineers have applied, and just selected 40 people out of it. I was fortunate to be one of them.

For the next eight years, I worked with HPCL in Mumbai in various capacities, starting from a gas station at Bandra to the airports and other installations in sales, marketing departments, and it was a rich learning ground in operations, discipline, and customer centricity, the word customer centricity, which has helped me even today. But it was also early 90s, the time of India's economic liberalization.

I believe the reforms of 1991-92 were quite pivotal in shaping modern India, and opened up the opportunities to young people like us to do something on their own, and to an entrepreneur spirit which came out of me, and I moved it to Ahmedabad and start something on my own. That was when Dalal and Shah Fiscal Services Limited, , was born in 1992. It started in a 12 x 10 typical small office, home office, with three team members, which are still today with me. The vision was clear, to bring simple, transparent, and trustworthy financial advice model to clients, with a sharp focus on fixed income products, which was largely underserved on those days, even today.

Why fixed income? Because I have always believed that 85 to 90% of the investor's wallet, especially in India, is aligned towards fixed income oriented investments, and yet very few advisors were truly specializing in it. We saw this gap as an opportunity. Even today this opportunity exists.

We focus on products like tax free bonds, relief bonds, which gives trustworthy returns, money market ideas, fixed deposit, inter-corporate deposit, and others. Our clients included pension funds, cooperative banks, gratuity trust, provident fund trusts, corporate treasuries, clubs, HNIs , and family offices. Over time, our reputation grew from being a trusted partner in treasury management, especially across Gujarat, Rajasthan, and Madhya Pradesh. This early stage laid the foundation for everything Wealth First is today.

As the Indian financial market evolved, with the growth of private sector mutual funds, the rise of open-ended schemes, and the entry of global players like Morgan Stanley and others, we also adapted. In the mid-90s, when two of the most renowned asset management companies based in the country at that time were launching mutual fund schemes, we started allocating capital to mutual funds, recognizing their potential to enhance post-tax returns for HNI clients.

I still remember when I had given a INR1.5 crores cheque and a INR2 crores cheque to one of today's large mutual funds, the total AUM at that time was just INR50 crores all India and INR20 crores all India. Those days, we started finding these products and allocating money.

I would like to mention that just last month, I was invited in a presentation of a large mutual fund of INR60,000 crores because it was completing 30 years of the existence of the fund, and the cake was cut by me and given to the management. See, that's because I was the only guy in Gujarat and in Ahmedabad who sold that fund in 1995.

We were not just early adopters, we were early believers. By the early 2000s, we formalized our offering by launching Wealth First Portfolio Manager Limited with a clear focus on end-to-end wealth management.

We had already pioneered a relationship manager model well before it became industry standard, and by 2002, we had eight RMs in Ahmedabad alone. That was almost unheard of at that time. Wealth First became a one-stop solution across financial assets from PPF and post office schemes to many complex products.

Now, let me take a moment to explain what sets us apart, our philosophy built on clarity and trust. We are a 100% B2C business. Our 20,000-plus clients and 6,500 clients' families and institutions are directly served by our team. We do not have distributors nor intermediaries. We deal only in financial assets and provide end-to-end coverage. Research, education, monitoring, reporting, and follow-up all under one umbrella, under one roof of Wealth First.

For that, we have BSE membership, NSE membership, our own depository. We have all the licenses with insurance, mutual funds, PFRDA, RIA, PMS.. The third and most important thing I would like to impress upon is no revenue targets for relationship managers. This is one of our core cultural tenets.

We have consciously removed the pressure of sales targets so our relationship managers can focus on doing only and only the right thing, always, 24 x 7.

We also strongly believe in staying lean and focused. We have only three offices, Ahmedabad, Pune, and now, next one, Surat, launching soon. Despite our presence being geographically compact, over 30% of our business comes from outside Gujarat. That is a testament of our team's capability and our model's scalability.

At Wealth First, we see ourselves as a pool of honest, curious, and long-term independent thinkers. We invest heavily not just in markets, but in people. We believe in creating lifelong career paths, not short-term incentives. The average tenure of our senior team is one of the highest in the industry. We value compounding not just of money but the trust, relationships, and good intentions. A happy client can only come from a happy employee and we strive for both.

Our investment philosophy can be described only in one word, simplicity, no complexity. We believe that as portfolios grows in size, value, and vintage, they must become simpler, not more complex. Just like a chess game becomes elegant in its endgame, a strong portfolio should aim for clarity, not clutter.

Every product we recommend passes one simple test, would we invest our own money in it? Only if the answer is yes, and a yes without hesitation, does it make it to our client portfolios. We avoid trends, we avoid noise, we avoid complexity, we stay focused on what truly matters, clients' outcomes.

The true journey of wealth creation through financial assets in India began in the late 90s. Though significant progress has been made, we are still in the early chapters of this story. Over the next two decades, we expect to see tremendous growth in capital formation, financialisation, and the professionalisation of wealth management.

At the core, our outlook is one of strong optimism, not blind enthusiasm, but grounded, informed confidence. We believe that financial assets will continue to outperform other avenues of wealth creation in India over the long run.

Technology will undoubtedly play a transformative role. Digital platforms, robo-advisors, and AI will shape the future, but we see them as enablers rather than replacements. In the Indian context, traditional relationship-driven models of wealth management still have deep roots. The transition to a fully digital first mode will take time, and trusted human relationships will remain essential for the foreseeable future.

Let me take a moment to share a story from 2006, when we won the first best financial advisor award from CNBC. It was when we had made it to the jury round, which featured some of the most respected names in the industry as a jurist. After a rigorous one-hour interview, one jury member asked me, Who do you see as a competition?

Perhaps a little boldly, I replied, I don't think I have any competition. Today, 18 years later, I still stand by that statement, not out of arrogance, but from experience. This business doesn't operate within a traditional competitive framework. It is not a zero-sum game. It is a win-win for clients, for advisors, and for the industry as a whole. There are only a handful of truly committed players in the wealth management space, and the number of serious investors and taxpayers in India is expanding rapidly each year.

We are still just scratching the surface. The Indian market is vast and complex, and it will likely take another generation before we begin to address the full potential of Indian investors. That is why I remain deeply optimistic about the future of wealth management in India. The shift towards financial assets is accelerating, and the underlying reasons behind this trend are well understood. What lies ahead is not just growth, but transformation. And so, I want to reiterate that I truly believe there is no real competition in this space, because we can all co-exist.

In fact, we must. The demand created by the ongoing financialization of the Indian economy is far greater than the supply of credible, long-term, full-service advisory firms. Firms like ours, with nearly three decades of experience, a one-stop-shop model, and cultural rooted in trust, are still rare.

So, when I say there is no competition, I don't mean there are no other players. I mean in that, there is ample room for multiple high integrity firms to grow together, because the real competition is not among us. It is in how well we collectively rise to meet the needs of the Indian investors in this pivotal phase of financial evolution.

We want to proudly share that we are a step closer to a milestone in motion.

Just recently, a few days before, SEBI issued an in-principle approval for asset management company launch. In line with our long-term vision, we are pleased to share that we have recently received in-principle approval from SEBI to sponsor and set up a mutual fund.

Accordingly, we plan to establish asset management companies which will allow us to significantly expand and diversify our product suite. This move is a natural progression in our journey to offer a comprehensive range of financial solutions, all under one roof, and further solidify our position in the market.

Wealth First was built on trust, independence, patience, insight, and always do the right things for investors, clients. And this continues to guide us. We are excited about what lies ahead.

With that, I would now like to hand over to Mr. Nishil Pandya, who will walk through the financial highlights , revenue streams, and business performance in greater detail. Thank you once again for your time, for being a part of this special moment with us. Nishil, over to you.

Nishil Pandya: Thank you, sir. Good afternoon, everyone. Welcome to our Q4 FY '25 earnings call. I will now walk you through our financial and operational performance for the period. For the full year FY '25, our consolidated revenue stood at INR60.1 crores vis-à-vis INR67 crores in FY '24. But our core business activity revenue has increased to INR58.3 crores from INR41.6 crores in FY '24.

Just to give you more clarity, we have two broad revenue streams. One is revenue from our business activity income, and the other is treasury income. Treasury income is further bifurcated into trading activity income and other income, in accordance with the applicable taxation laws. Each of these components plays a distinct role in our overall financial performance. Let me provide you with an explanation and detailed breakup of the same.

First and foremost, our principal and the most substantial component of revenue is derived from the business activities, which contributes to around 97% of our total revenue in FY '25. This includes commissions, brokerage income generated through mutual funds, PMS, AIF, insurance, trading on BSE, NSE platform, and fixed deposit products.

We saw a robust growth of around 40.1% vis-à-vis FY '24 and FY '25, reflecting the strong momentum in our operational performance. This segment continues to be the foundation of our revenue model, and we remain highly optimistic about its trend ahead. We anticipate sustained and consistent growth in this revenue stream over the coming quarters and fiscal years.

Now in the second aspect of treasury revenue, one revenue component comes from the trading activity, which involves buying, selling, and various securities instruments like direct equity, tax-free bonds, taxable bonds, and government securities. We aim to maintain a balanced allocation between equities and bonds. Though the exact percentage may shift based on the market condition and fluctuation, this segment is naturally sensitive to market conditions, and it includes fair value adjustments, based on the value of the securities at the end of the reporting period.

The revenue from this segment has seen a dip to negative INR5.2 crores in FY '25 from INR12.7 crores in FY '24. This decline is caused by high-market volatility and impacting mark-to-mark valuation and fair valuation at the end of the period.

The other component in treasury revenue is other income, which primarily represents profit and loss from investment in mutual funds, PMS, and AIF. While it is not a major part of our income, it adds value and supports our overall financial strength. So just to summarize on the revenue part, our treasury streams may fluctuate due to external market factors, but our revenue from business activity, which is our core business activity, will always remain the dominant and reliable revenue generator.

Just to give you an idea, our trail base revenue has demonstrated robust and consistent growth over the last five years, rising from around INR11 crores in FY '20 to INR47.5 crores in FY '25, despite persistent market volatility during the period. As of FY '25, trail base revenue is approximately 81% of our revenue from business activities, which is up from 75% in FY '20, underlying the increasing significance as a stable and recurring income stream.

On a full year basis, our profit after tax for FY '25 stood at INR34.1 crores vis-à-vis INR42.7 crores in FY '24. PAT was impacted due to significant impact in treasury income and an exceptional item of INR1.5 crores related to cyber fraud in FY '25. For FY '25, the cost-to-income ratio improved significantly by 210 basis points year-on-year over FY '24 to 25.6% from 27.7% in FY24. However, the cost-to-income ratio, excluding the exception items, improved by a robust 470 basis points to 23.0% in FY '25. This sharp improvement reflects effective cost management and better utilization of our operating leverage.

Our total AUA surged to INR11,623 crores in FY '25, representing a 14.9% year-on-year increase, which is a noteworthy growth despite the prevailing market volatility in the last two quarters.

Our trail base AUM, which includes Mutual Fund, Portfolio Management Service and AIF, stood at INR5,386 crores, registering a strong 20% year-on-year growth, out of which 15% is due to net sales. Our net sales figures are better than the industry average.

In bonds portfolio, our AUM is INR3,741 crores, which is up by 10% year-on-year. Our direct equity book is around INR2,224 crores, up by 12% year-on-year. Our fixed deposit AUM is around INR212 crores, up by 16% year-on-year. Our insurance book has grown by 25% year-on-year, it has ended at INR60 crores.

Our team has grown steadily, with our workforce currently comprising 80 professionals. Notably, our RM count has increased from 20 in FY '20 to 35 in FY '25, reflecting our focused efforts in building a strong client-facing team. Furthermore, our RM vintage stands at 51% with over 5 years of experience, reflecting the depth of our team's expertise and our commitment to talent retention.

As highlighted earlier, our total client base has grown by 6% year-on-year, reaching to 20,759 individual clients, which represents around 6,578 families, with a growth of around 11% year-on-year, indicating a robust client acquisition and strong client stickiness. This growth reflects the trust we have built and the value we continue to deliver.

In alignment with our commitment to shareholder value, we have a clear dividend policy in place, whereby the company will distribute a minimum of 30% consolidated profit after tax as a dividend. During the first 9 months of FY '25, we have declared two interim dividends, amounting to a total of INR12 per share, equivalent to 120% of face value.

For Q4 FY '25, the company declares a final dividend of INR4 equity share, bringing the total FY '25 dividend to INR16 per share, a dividend payout of around 49.9% ratio, in line with our stated dividend policy of minimum 30% distribution.

Even as the industry undergoes major shifts in investor expectations, technology, and the broader financial landscape, the demand for trusted, long-term, and wealth advisors remains strong. At Wealth First, our approach is rooted in simplifying investing, offering independent advice, and building enduring client relationships. We are confident that this philosophy will continue to serve us well as the industry evolves and expands.

With that, I would now like to open the floor for the questions and answers.

Moderator: We take the first question from the line of Sonal Minhas from Prescient Capital. Please go ahead.

Sonal Minhas: This is Sonal Minhas. My first question is with regard to the trading activities. I am new to understanding the business. Just wanted to understand what kind of trading activities do we do? What kind of profit booking do we do in our income? And the reason for us to do this, given that it brings a fair bit of volatility in your P&L?

Ashish Shah: Yes, I appreciate your question. First, I appreciate that it gives a volatility to our profit and loss accounts. One of the reasons we have treasury money in the company. Now we have, just to improve that also, as we said, a minimum 30% of the dividend we are going to declare. And this year it will be almost 45% of the profit going to be declared, to be divided.

But whatever lies, we strongly believe that as we manage a lot of corporate treasuries in the last so many years, and whatever our own money also has to be managed. So, we have created a four-people team also. We divide into fixed income as well as the equity portion. And we try some new instruments also on our own first. We try to create a portfolio.

See, there are two things. One is tax-free bonds. We almost distributed 8% of the all-India tax-free bonds by Wealth First. So we provide exit also of the bonds to the clients. So that is the inventory of fixed income instruments. And equity also, we invested in mutual funds as well as some new AIFs also try on our own. And certain stocks, which is not in any of the mutual funds or other places, built up for our own company for investment. Maybe SME, maybe micro-cap or small-cap also.

And that's -- last quarter, last six months has given the volatility. We strongly believe that we have to generate return out of our company's money. If we put money into liquid funds, which is a very easy option, it's only 7%. So there is a risk return. And with our expertise, I think we try to optimize the return. That is our intention behind it. Something more, Nishil, you can add on it?

Nishil Pandya: Yes. So you have any question on this?

Sonal Minhas: No. The question is basically that as somebody who is, let's say, potential minority shareholder, this is something which is kind of a black box. And there are a lot of other brokerage entities where there is an arbitrage of proprietary booked (inaudible) in, which people have built. And that is something which is construed as something which is borderline negative on the business. So that's the only observation, sir. The rest is pretty much well explained.

Moderator: Thank you. We take the next question from the line of Vijay Chauhan from RH PMS. Please go ahead.

Vijay Chauhan: Yes. Thank you for the opportunity. On the trading activities, so basically are we trying to build an investment book for the long term perspective or how can you explain that or is there any minimum IRR expectation that we are targeting on that side?

Ashish Shah: Yes. At least 7% is easily available. 14% to 15% IRR of the book is the internal target And I go for the last five years, we have achieved it. The last six months was exceptional. But now let me tell you, I was to add something to Mr. Sonal's question. I think your question also is more or less same. This activity will be reduced substantially because one, the AMC also we have to put the capital. As you know, it is a capital intensive business.

We have to form a subsidiary and the money will go there and that money will lie into only the fixed deposits of the bank. And two, balance the dividend also we are robustly distributing. Third, we have kept the money to one or two inorganic growth ideas has come to us in the last one year. And we are very close to do this in the coming three to six months. So some capital will be utilized there also. Most of the time, our endeavor is that by year-end, this volatility of this income will not be there.

Vijay Chauhan: So it's a mostly M to M adjustment. Is it fair to assume that?

Ashish Shah: Yes. Sorry, can you tell me what is adjustment?

Vijay Chauhan: It's a mark-to-market adjustment mainly because of the stock market fluctuations, right?

Ashish Shah: Yes. It is a fair value adjustment, mark-to-market adjustment and certain script has been, we have booked the loss also.

Vijay Chauhan: That's okay then. So every like wealth firm has some portion in their own book. So that is understandable. So it's not a -- it's completely to the market fluctuation, not related to business part. So that's good to hear. Second on the MF side. So would you like to throw some broad light and the vision with the MF side, what you are thinking or active side you are taking or the passive side and what is your marketing strategy or you are mainly focusing on Gujarat side or let's say the Maharashtra Western part of India. So how do you see like MF thing going ahead?

Ashish Shah: Honestly, so many questions you asked me in a lighter sense, but I'll try to answer them.

Vijay Chauhan: AMC is also fine on MF side, like whatever comes to your mind as of now. So that is also okay?

Ashish Shah: The AMC business, you are asking?

Vijay Chauhan: Yes, AMC only.

Ashish Shah: First, we believe, our experience of 30 years and I was a pioneer to see the open-ended funds in 90s. We thought as we have capital also in the company, so let us go for the non-fund. See, first Wealth First doesn't want to do any fund-based activity. Just to add to all my listeners, we don't even MTF.

We don't do any derivatives for clients because I believe the wealth management fundamentals first is you should not leverage anybody and put money into equity or anywhere else. That's why we don't induce any leverage for clients. Now, the money is lying in the treasury and the natural thing is to go for the asset management company, which is the highest, I mean, the best vehicle in Indian markets for another 30, 40 years, what we read in 2047 vision of AMFI report.

I think I'm really, we are surprised that only there are only 45, 50 AMCs are there in the INR130 crores of population and we have almost 15 crores, 16 crores demat account holders now. So I think there is a gap. Though we are small, but as I started about 12 x 10 in 1993 and we reached here, the AMC we are very hopeful to do.

Okay, we have applied for the license for active and passive both . Let me clarify that. Our approach focuses on innovative products to fill the gaps. See, my experience speaks, even in distribution of mutual funds as a product, still in this country there are so many gaps available, which are very apparent.

And for any reason, these gaps are not filled. And that gap is an opportunity for us. And that is a matter. We are thinking that our AMC will try to fill the gap. Now about team and also, we are assembling or already assembled, I mean, we are tied up with the industry stalwarts, who have witnessed the mutual fund space evolve over the years, almost experienced like me. And with that expertise and experience, we drive innovation and growth in the industry.

And the recruitment and everything will be started once we get the formal license and all. Our endeavor is Pan India, slowly and steady wins the race, but it will be something innovative, that I can assure you.

Vijay Chauhan: Okay, sounds good. And lastly, on the like the AUM growth side, any like plan on the FY26 side, like maybe 20%, 25% growth, any internal estimate you would like to suggest?

Ashish Shah: See, we are in the business of long term investment. So I'll give you a medium term guidance, not a one year guidance. I just made my wish as a Promoter or a Founder or a Chief Executive Officer, that our AUM should grow at least double in three years. And our expenses are not growing in line, their expenses are growing much lesser than that. Accordingly our profit also will grow much better than that. That is my wish, you can say.

Vijay Chauhan: Okay, so 26% CAGR, if we are doubling in three years. So this AUM, like compounding that you are explaining, so that is including market growth as well, fresh money plus market growth 26%?

Ashish Shah: Absolutely. Just to tell you, this year also our net sales we have grown better than the industry. And we are better than the industry.

Vijay Chauhan: Okay, that sounds okay. And, of course, we have started to see some improvement in quarter, like in the current quarter. So would you like to throw some light, because now the things have started to improve in the last like couple of weeks. So are we seeing the trend reversal or we are still seeing some, let's say, some resistance from the investor side, because you are also interacting with them because you have such a large, large pool of clients. So how is the investor sentiment and how do you see them like the market activity in terms of sentiment? So that is my last question?

Ashish Shah: It is okay. Great. We are in constant touch with, as you know, our model is a B2C. We are in constant touch with the clients, with me as well as my RMs and all. I think investor sentiment has been damaged for a middle to lower-level investors from October onward. So far, so good. As you saw, we educate the client in such a manner that they should not trade. We don't have daily trading. We have our own BSE, NSE, but we don't do F&O. We don't do daily trading.

Let me tell you, answering your question, we are not the right benchmark for the investor sentiment because our investors are educated to stay put, stay long-term, do right thing. That's why we do not see any problem. That's our net sales also has gone up. But things are improving, let me tell you on a lower and middle size of investor, but not like October. It will take a time.

There is a huge damage what I understand from the market and friends and all to the retail clients portfolio, in a direct equity or via small caps also, huge damage. It will take time.

Vijay Chauhan: Right. But on the SIP money side, we have seen some dent or is it continuing like it used to be if we are mainly focusing on the long-term side?

Ashish Shah: Our SIP book is steady. And honestly, I am not a great fan of SIP for HNIs and all because whenever surplus money is there, you put the money as per asset allocation , it is one kind of SIP only like to remove the timing risk. But our SIP is intact. But the number of entries are not, I think, last two, three months, they are deteriorating 5%, 6% for the industry I am talking about. As I told you, I am not the benchmark, honestly, for the industry.

Vijay Chauhan: Yes, that's fine. That's completely understandable. Yes, thank you for the clarity and good luck for the future.

Nishil Pandya: Thank you so much.

Moderator: Thank you. We take the next question from the line of Jigar Shah from Elevate Research. Please go ahead.

Jigar Shah: Yes, hi, good afternoon, sir. So first of all, congratulations. It was inspirational hearing about your journey, as mentioned in your opening remarks. I have two, three questions. So first one is what is the yield that we earn on our products?

Ashish Shah: Nishil, can you take this?

Nishil Pandya: Yes. So we generate one percent net yield from the overall of our ARR asset.

Jigar Shah: Okay. Understood. I have a couple of questions on our RMs. So how do we recruit our relationship managers and if you can speak on how has been the vintage of RMs over the years?

Ashish Shah: Yes, I think my colleague Sajni, she's since 17 years with me. She started as a fresher from management school. I think Sajni, please answer Mr. Jigar bhai.

Sajni Patel: So we don't have a very conventional recruitment process in the sense we don't take RMs from the industry. We recruit freshers. And for like about one to two years, they are -- they assist our existing RMs. So we call them the bench. So for two to three years, they get groomed by that and then they become full-fledged RM. So before that, the entire client servicing and everything is taught to them. So since day one, we've always recruited fresher. I hope that answers your question.

Jigar Shah: It does. I have a follow up question on the same. So how many RMs are you planning to add in upcoming two, three years?

Ashish Shah: I think 15 RMs are on bench right now. They'll be recruited over last one and two years So that will add to our armoury within a year time. Because they do learn operations, they learn everything before going to client directly. Today they help the existing RM to a lot of things. I think today we have 35 RMs. And another 15 will be added to the pool within two years.

Jigar Shah: Okay, understood. That helps. Thank you.

Moderator: Thank you. We take the next question from the line of Raaj from Arjav Partners. Please go ahead.

Raaj: I just wanted to understand the business in a proper way. So this AUA represents client's money, right? The client comes to you. So you handle the portfolio of the client and accordingly advise to invest in equities, funds and bonds, right?

Ashish Shah: You can finish your question, then I think I'll answer.

Raaj: Yes. So I wanted to understand the business exactly in simple terms.

Nishil Pandya: Okay. What is the business model? Okay. Basically, this AUA represents four aspects. Majorly, AUA, it will have like recurring income assets like mutual fund, PMS, AIF, which is like for FY '25 is around INR5,304 crores (wrongly said, kindly read it as INR 5,386 crores). Then we have direct equity, our own BSE NSE membership is there.

So there are a lot of clients who wants to buy, share on their own. So like, we don't have our own research for direct equity, but we subscribe to a couple of research. And we have handpicked for large cap, med cap, small cap portfolio. And out of that, if a client wants to buy something, we are just an executor over there.

So the direct equity book is roughly around INR2,224 crores. Then we are very good in terms of tax free, taxable bonds and Government Securities, State Government Securities as well as Central Government Securities. So in a particular client where there is a low taxation rate or say zero tax rate, we try to go for taxable bonds. For the HNI clients who are in the like 39% taxes, we go for the tax-free bonds. So one recurring income in a tax-free nature.

So that book is roughly around INR3,741 crores. And other than that, we have a small book of FD as well as insurance book. That is the broad business we are doing. Out of that, direct equity and bonds are our transactional revenue. So whenever there will be a transaction, we generate revenue out of that. But this direct equity book helps us in terms of whatever mutual fund, PMS, we are recommending.

So we keep on telling our client that whatever direct equity portfolio you are having, there will be like performance of 1 year, 3 or 5 years. So your direct equity portfolio has generated this much of return. And if you have invested into this recommended mutual fund in terms of equity, debt, it has generated this much of return. So this is like potential asset which you can convert into direct equity to mutual funds. I hope it clarifies.

Raaj: Hello, am I audible?

Nishil Pandya: Yes.

Raaj: I just wanted to also understand how much is the yield on this INR11,623 crores AUA? Now I got the idea of the company. How much is the yield on this INR11,623 crores AUA?

Nishil Pandya: So I can tell you yield on this INR5,386 crores, which is mutual fund, PMS, AIF , that is 1% net yield. The bond in the equity aspect is a transactional business. Whenever there will be a transaction, we generate around 20 to 25 basis points out of that. It's not a recurring revenue asset for us.

Raaj: All right. That is all right. So direct equity and bond, you generate 20 to 25 bps , right? But it's a transactional business…

Nishil Pandya: Whenever there is a transaction, it will generate.

Raaj: Whenever there is a transaction. All right. And sir, in the initial commentary, I just skipped a point when you got some SEBI approval, right? Can you please repeat it again?

Ashish Shah: See, that is a value chain upgrade. We have applied for asset management company to float a mutual fund. So we applied to SEBI in January and SEBI has given in principle approval to form an asset management company. That process we have started. And it means we will be able to launch, Wealth First can be a sponsor of an asset management company in which can float a mutual fund on their own.

All types of mutual funds can be passive, active, something like that. All in their business. That license, in principle, we have got. And now six months, we have to finish the formality to get the final license. That I mentioned in my initial speech.

Raaj: All right. So after six month's time, when you get the final approval, you will be able to launch your own fund, right? Mutual fund.

Ashish Shah: Yes, exactly. After proper paperwork and all. Yes, absolutely. It's a vehicle. See, in India, there are only 4 crore mutual fund investors. And there are 18 crores / 16 crores-17 crores of demat account holders and 20 crores and above is Dream 11 accounts. And there is a tremendous potential for the retail business.

And I think for a retail business, mutual fund is one of the fantastic vehicles in this country. Timely proven, well-complied, and it can have so much flexibility and obviously, it has tax advantages. So that is the idea. Let's have our own mutual fund. And there are a lot of gaps and a lot of areas which we believe we can fill those gaps and get the business.

Raaj: Understood. Okay, sir. Thank you. All the best.

Ashish Shah: Thank you.

Moderator: Thank you. We take the next question from the line of Rohan, an Individual Investor. Please go ahead.

Rohan: Good afternoon, sir. Thanks for the opportunity. So I want you to understand on the business model side, if you look at your slide on RMs, RMs with more than 3 years vintage handle roughly 1,350 clients and with less than three years handle roughly 218 clients. So like, how do they manage this? What is the nature of interaction? And how do they split the time between servicing and new client acquisition?

Ashish Shah: I think, good question. First, I will also answer than Nishil will take over this answer. One is we have with the way we manage the client's money in a fiduciary capacity, we manage products. As I said, our research is so strong and our product bouquet is very small, simple to enter any product into a bouquet takes a rigorous research process.

And 90% of the products are it's a no go. Now the product profile is so simple. And asset allocation, as we talked to the RMs and all. So we basically we manage the product ingredients of the client's portfolio. And the next other thing allocation and percentage and execution is taken care by the RMs.

That's the way we are able to serve so many so many families and clients with a reasonably competitive industry standard reasonably low number of RMs. I think that is your question, correct? This is one of the answer. Some more Nishil, because he also has worked as RM.

Nishil Pandya: Yes, so as Ashish bhai mentioned, product team defines the product framework, RM does the asset allocation and depending on what call is taken by the product team, they will execute it. Say I just want to highlight our more than 53% assets are in a demat mode. It's very easy for us to execute it.

Whatever we do, it's on our online digital platform. So we execute and it's very seamless for us. So we can manage more number of families by one RM. So if you see compared to industry standard, we also like typical RM can manage 120-150 families per RM.

Rohan: Right. But in this case, don't you need any consent to change the asset allocation from the customer? And like for getting also the new money, you need to meet the clients. So because if there are 1300 clients per RM, practically, if you are meeting even three to four clients a day, it will be 1 year that a client will get a chance.

So just want to understand how does the interaction happen? How does the new money come in? How do you convert a new relationship? How much time does it take to convert a new relationship? Some aspects around that.

Ashish Shah: Great. Around that, that's a beauty of Wealth First. First thing, let me tell you as a founder, I believe this is the business of operating leverage. So how do we see. To make a client we educate our client before taking the first check. Like what is like about Wealth First and about the market.

And we give them the realistic expectation from fixed income area as well as from equity area. Then the RM studies the client's cash flows, the requirement, risk profiling, as well as the risk tolerances before starting the business. For once that has been done. I don't think we require too much of interaction physical with the RMs.

And we try to involve the spouse also in the process before, in the first two transactions. We try to involve the spouse also. That's why you can say it's a consensus decision asset allocation. And I believe asset allocation is the key to the long-term wealth management and well-being of the client.

Our effort is to continuously meet the asset allocation and sometimes change it. That's why Email, Telephone, Zoom, we use technology in a very robust manner. That's why physical interaction is as far as possible avoided. And all the documentation done by the Email, as Nishil explained, transactions are done in demat . That's why we are very efficient in operations.

And one, let's see what is the problem. If the client has been not taught about the expectation and the reality check, then there will be a lot of noise and you can say you have to meet them to convince or whatever reasoning and all. We don't want reasoning.

That's why it's very easy. But everything we do before we are meeting the client. Once the client, I think a couple of clients, even they don't meet us, our RMs, once in a year also they don't meet us. And we have some few crores of assets.

Rohan: Sure. Typically, when you on-board a client, what is the typical ticket size that you get in terms of their money?

Ashish Shah: Fantastic question. As a Wealth First Policy, we do not have an entry barrier of INR1 crores, INR10 crores, something like that. No. Because first, I believe I should not ask any client, this is the money, how much wealth you are having and going to give. It is a little bit annoying if somebody asks me like that.

Two, my large clients started with a few lakhs of rupees. That is my experience of 30 years. But just as a professional answer, the sweet spot is between INR1 crores to INR25 crores is our sweet spot for enrolling the client.

Rohan: Got it. And just in terms of your client mix between retail and corporate, how would that be?

Ashish Shah: There are two ways I can answer. One is asset wise, second is revenue wise also. Retail and individual day-by-day is increasing. Previously, I was 100% corporate and institutional. Today, I think we are 18%, 20% into institutions.

Rohan: 18%, 20% into institutions. Okay. So 80% is retail.

Ashish Shah: Yes. 18%,20% around 20% institutions, 80% is other way around. 80% is retail.

Rohan: Yes. 80% is retail. Sure. And this is in terms of your AUM mix?

Ashish Shah: Yes. AUM mix.

Rohan: Sure. And sir, in terms of the gross and net flows for the ARR assets over the next 2-3 years timeframe, like how should one think on it because you indicated you are not much into SIPs. So, it is largely lump sum that comes in. So, what kind of trajectory should we build in? Because in SIP, you get that consistency of flows. But in this case, how should one as an external entity look at or evaluate flows for you?

Ashish Shah: I will tell you. I will tell you that little bit of myth of SIP also. First and second thing, why I don't say I don't believe. See, the thing is we believe in STPs. So, why we do SIPs? One is to give you -- remove the timing risk of the market. That is the main purpose of SIP. You know, mutual fund gives you a diversification, risk is mitigated by mutual fund. But you put 2 day money, put 2 day, 3 days before and 2 day, there is a difference. That's why you do for SIP timing risk. Okay.

See, most of the client, as I told you, before enrolling the client, we know everything, most of the things about client. See, client sometimes doing SIP, we under-invest it. That is my experience, whether people believe or not, but this is my experience. One book of SIP is up, you can say, 20 years, 50 years investment, but there are a lot of times they have money, INR5 lakhs, INR2 lakhs, INR1 lakh. That money just -- call the RM, just phone them and the money comes by online transaction. That's the way we increase and get invested client within the asset allocation. See, asset allocation is the dharma and karma of the RM to the client.

Second thing, whatever SIPs we believe in the numbers, there are so many SIPs are getting closed and a lot of SIP hits, but it is not banked. That's why I don't say I'm not, SIP is a fantastic concept. The client profiling which we are doing, I think this is the way we manage our client's money. As I told you, 3 years double is our internal wish.

Rohan: The AUM doubling in 3 years, okay.

Moderator: I am very sorry to interrupt, but we request you to rejoin the queue for follow-up questions, as there are several participants in the queue.

Rohan: Sure, thank you.

Moderator: We take the next question from the line of Amith Agicha from HG Hawa. Please go ahead.

Amith Agicha: Thank you for the opportunity, sir. My question was with regarding to risk and compliance, like what internal changes have been made post the INR1.5 CR cyber fraud incident? Was any client money affected because of this?

Ashish Shah: First, not at all client's money has been affected. It was company's own money, and whatever fraud has happened, we recovered almost 25% of the money. Whatever we have described 1.4 is the money to be recovered. We are trying. The agencies -- our enforcement agencies are after that money. Okay. Second thing, we sat with the bankers. We sat about a lot of things. After that, we tried to change.

We got one security person enrolled, as well as we have one of the senior personnel, our chief financial officer, who is overseeing a lot of things. Mr. Dhiren bhai is a veteran from the last 27, 28 years of experience. He is chartered accountant. A lot of things we changed. One thing I assure you, and it is documented, not a single money of the client has gone.

Amith Agicha: Thank you for answering, sir. And so and..

Ashish Shah: Let me tell you, not a data breach, it's not a data breach No data, nothing, nothing. We got everything audited immediately. Nothing, no data, no money of clients has been disturbed or gone. It is our company's money that has gone.

Amith Agicha: Okay, sir. And the second question was connected to the number of offices. You said you are having three offices, Ahmedabad, Pune, and Surat. Like, are there any plans to scale beyond Gujarat? Because there you are very strong. So any chances of coming in Mumbai?

Ashish Shah: You will hear it some time, positively, if we have the next call.

Amith Agicha: Okay, sir. All the best for the future.

Ashish Shah: We might give you some news, okay? So let us put it like that.

Amith Agicha: Thank you, sir. All the best.

Moderator: Thank you. We take the next question from the line of Jignesh Vayda from JIVA capital. Please go ahead.

Jignesh Vayda: Yes. Good afternoon, sir. One of the things you mentioned initially that you have one or two inorganic growth opportunities. So I wanted to understand in which area is it pertaining to?

Ashish Shah: Okay. See, I don't know, a lot of IFAs or MFDs are aging now. They are 58, 60, 62 age and all. And they want to semi-retire or they want to semi-retire because there is no legacy behind them. So we got some couple of opportunities in that. We are doing some, you know, work behind it. And like, one thing that we tell you, sure, there are so many people out there. Out of that, very few which are like-minded, and we know them since so many years. We are trying to work it out something. That is the idea for inorganic growth.

Jignesh Vayda: Okay. Sir, one more question that you told that SEBI has given initial approval for setting up AMCs. But, sir, since we have our focus in distribution and we don't have that much focus on research in stocks to invest in equity funds, then why get into manufacturing by setting up our own mutual fund?

Ashish Shah: Fantastic question. I appreciate. So one thing, what the -- Wealth First is going to be the sponsor of the mutual fund asset management company. We are going to have a very seasoned professional to run the business. Okay. Because we -- Wealth First, we have experience. One thing, our existing definitely will suffice and complement them. But the business of asset management company is a wholly owned, I mean, that is a subsidiary. And we have found out, as I told you, very seasoned people from the market, I mean, industry. They are going to run the business that I can say 90%, 95% will be done by them. And they are very experienced people.

Jignesh Vayda: Okay. No, but you don't think you will be able to get business in such a competitive industry in terms of being a new mutual fund?

Ashish Shah: Let's try. When I started in '93, there were 400 Ahmedabad Stock Exchange brokers and there were 800 BSE subbrokers. And I have nothing.

Jignesh Vayda: Okay.

Ashish Shah: Then also we reached.

Jignesh Vayda: Right. I appreciate, sir. Sir, one last question. Since now retail forms 80% of AUM mix, just wanted to understand broadly when we started changing from corporate to retail and how soon we were able to reach this, develop 80% in retail in how many years?

Ashish Shah: See, retail means I am talking individual. I don't say 5,000, 10,000 people.

Jignesh Vayda: Correct. Yes, yes.

Ashish Shah: Retail means previously my last avatar or beginning was a wholesale business or a large institution for trust and all. HNI's, obviously, tax and corporate. The evolution came in 2000-2001 when we realized that most of the corporate executives, just come treasury, we have to manage treasuries, their executives all started getting good salary.

So one of the executives told me the idea. He asked me, the fact is the CFO told me, why don't you manage my money? Maybe a few lakhs. Then I thought, let me try this. That's why, as I told you, in 2002, we have 8 RMs. Nobody has 8 RMs in the world.

Then we realized the margins are squeezing in wholesale business. A lot of products are getting extinguished because of the GSecs and all are directly on the NDS platform and all. And we are ahead of the market. Let me assure you, Wealth First is always ahead of the market. We anticipate the wrong things ahead of others and try to get the path to make business come to place.

That's why we slowly, steadily start encroaching to CFOs, CEOs, and the executives, the traders, and industrialists, something like that. And today, we are 80% individuals and 20% institutions.

Jignesh Vayda: Right. Thank you very much, sir. Thank you.

Moderator: Thank you. We take the next question from the line of Bhavesh Chauhan, an individual investor. Please go ahead.

Bhavesh Chauhan: Sir, with regards to new client acquisition, how do we get the leads in the first place? And obviously, you would be having your existing clients recommending some, but apart from that, any other strategy?

Ashish Shah: Bhavesh, Sajni will answer you because they have done this since 17 years she is with me. Sajni , why don't you answer?

Management: Hi, Bhavesh. Thank you for the question. So, like you said, our strongest source is of the new client is the word-of-mouth referrals that we get. And it's because of the decades of trust that we've built. So, the friends and the families of our existing clients really refer us to the new clients. But apart from the organic referrals that we get from the long-standing reputation, we engage in a lot of awareness activities where we do IAPs and corporate seminars.

We also host a lot of knowledge sessions, tailored to specific professional communities, like doctors, lawyers, business owners, and other industry groups. Apart from that, like whenever we do these knowledge sessions, they're not really events where we push any products. It's basically a part of what Ashish said previously. This is a part of how we educate our client and build that trust, where we call industry stalwarts and make conversations.

So, with a combination of the references that we get from our existing clients and these IAPs, we build like the new client pool, which necessarily does not convert in like day one itself, but it builds over time. And I would also like to add that when we start this, we do not have a rigid ticket size that we start with. Like sometimes, a client starts with a very small amount, but we cater to that as well.

Bhavesh Chauhan: Okay. And sir, also one more thing with regards to any targets that you have internally with regards to number of clients or at least some sort of fresh AUMs from a set of new clients should come?

Ashish Shah: See, we have set a very process driven to all the RMs and sales teams regarding the reporting to investors, the meeting with the investors, interactions, maybe physical, maybe Zoom, maybe telephone, as per the client size and requirement and all, and IAPs or the new client acquisition programs. It may be in the existing client's canteen also, sometimes it happens. It allows the corporate to come into my canteen and give the lecture to 25 to 30 people. These type of targets are set. It's a continuous 24 by 7 business in 30 years. To get clients and to get this money is the outcome.

Bhavesh Chauhan: Okay, sir. Thank you. All the best.

Ashish Shah: Thank you.

Moderator: Thank you. Due to time constraints, we take that as the last question. I now hand the conference over to Mr. Ashish Shah for his closing comments.

Ashish Shah: Thank you all for joining us today. It was our first conference call after results. That's why thank you again, all of you. As we look ahead, we remain focused on deepening client relationship and enhancing our product suite to solve a wide range of financial needs. We are confident in India's long-term growth story, supported by rising incomes, financial awareness, and the shift towards financial assets. The wealth management space is still under-penetrated and we see strong opportunities to expand our market share in a sustainable and meaningful way.

Thank you once again for your time. For any queries, please reach us or to Strategic Growth Advisors, our investor relation partner. Thank you very much.

Moderator: On behalf of Wealth First Portfolio Managers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.