

Motilal Oswal Fin

Operator: Good morning, everyone. This is Juhi from Bharat Connect Conference Invitation. I welcome you all to the call of Motilal Oswal Financial Services Limited. Today, from the management team, we have Shalibhadra Shah, the Group CFO, and Manish Kayal, the {? member ?} of the Investor Relations team.

Before I hand over the call to the management, I will explain the flow of the event. We will first start with the opening remarks by the management and then move to the Q&A round. Any participant who would like to ask a question can raise their hand or put it in the chat box. We will first take up questions from participants who have raised their hands and then move to the chat box. If time permits, we will take up the questions that I have received from clients who are unable to participate. Without wasting any further time, we can start the call. Over to you, sir.

Shalibhadra Shah – Group CFO: Thanks, Juhi. Thanks, Arihant, for hosting us, and thank you, everyone, for giving us this opportunity to interact. My name is Shalibhadra Shah, and I am the Group CFO here. Manish is with me and is the Head of Investor Relations.

I will start with a few updates around the Group, and then we can have more Q&A. Motilal Oswal is now about a 40-year-old organization. Over the last two decades, or 19 years since listing, the only time we raised equity capital was at the time of our listing, way back in 2007. At that point, the Group was only in the broking business, especially retail and institutional broking.

The entire journey of the Group has evolved since then. While we have never raised equity capital in the last 19 years and have never diluted ourselves, we have, in fact, returned a 20% annual dividend payout every year to our shareholders. We have also done three buybacks when market prices have corrected.

In terms of our ranking, we now rank among the top 160 companies in terms of profitability and among the top 200 companies in terms of market capitalization. Our ranking has been continuously improving.

In terms of our overall business model, we have operating businesses on one side and treasury on the other side. Treasury is actually the capital base of our business. It consists of our retained profits after paying a 20% dividend, and these profits have been reinvested to create the operating capital base for each business.

These are invested in long-only equities, which have generated about a 19% IRR on our books. The treasury book has grown at a 40% IRR, partly through returns and partly because each year's free cash flow is also added after paying 20% dividends. We believe that we have a self-funded operating model in which our capital needs are entirely taken care of by our retained profits reinvested into long-only equity treasury on our balance sheet.

Our operating businesses over the last decade have delivered 33% profit CAGR growth. Even over the last five years, we have delivered about 30% CAGR growth. This is because we have transitioned from transaction-led revenue to annuity-led revenue. A significant pool of annuity revenues has been built over the last three to five years.

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Our total annuity revenues as a proportion of operating revenue are now at 66%. This number has been growing rapidly. As the share of annuity revenues continues to rise, our profit growth has become qualitatively much better because of the higher mix of annuity revenues, and these are more sustainable profits. That is why we believe that a minimum base case of 20% plus CAGR can be easily achieved, given our annuity-led assets and flow growth.

In terms of business operating segments, the asset and private wealth segment continues to grow very rapidly. Asset and private wealth now represents 55% of our operating profitability, and it is growing very quickly. Last year, it was 40% in FY25, and in FY26 it was about 55%. There has therefore been a significant rise in the share of these businesses.

The other segments are retail wealth management, which is the erstwhile broking business, followed by the capital market segment and the housing finance segment.

Segment-wise, in the asset management segment, we have crossed the 2 lakh crore landmark in assets. We are an equity-focused house, and our flow market share has been very robust, well above our AUM market share. We saw sequential improvement in our flow market share in Q1 compared with Q4, and in Q2 we also see an improvement in flows overall.

This is supported by strong performance across our active funds. We previously had only six active schemes that had completed three years, so our growth journey so far has been based on those schemes. However, we will now have 10 more funds completing three years over the course of the next 15 months. These will be growth drivers for us, and further market share gains through flows will happen through these funds because almost all of these products rank first over the last three years.

We also have a very large digital and direct presence, which will ensure that flows go to our best-performing funds. We are already seeing this. Our small-cap fund is completing three years in December, and we are seeing a significant rise in flows into our small-cap scheme. Similarly, our multi-cap fund and large-cap fund are the next to complete that three-year period. Multiple such funds will complete three years, as I said, including 10 more schemes.

With improving flow market share and improving coverage—we now cover approximately 87% of the industry category—we will continue to expand that coverage in the coming period through new launches. We also have passive products, where we are launching innovative products, and we will continue to expand that product bouquet.

Overall, mark-to-market gains have remained muted over the last two years, so that could be another lever of growth. We therefore have multiple levers across this public market AMC business to grow.

Similarly, even in public markets, our Category III and PMS AUM are receiving positive flows in the industry. We again have the strongest performance in the industry across all our products, including our alternatives on the AMC side. We have a healthy yield overall of 58–59 basis points, translating into a 35-basis-point PAT yield.

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We believe that with very strong PAT yields and very high flow rates, even last year's average AUM compared with the current closing AUM is already up 30%. That is the embedded growth in our AMC segment. There are therefore many factors indicating that our AMC business will continue to significantly outperform in the coming periods.

Coming to our alternate side of the business, which is the private side of the business, we have been trying to expand our new business lines. We have a very strong track record in private equity growth, and we had a similar track record in credit growth on the real estate side.

We have now recently launched a private credit business line. We launched the first fund and received 2,500 crores of commitments. The fund will close in Q3 at 3,000 crores. The fourth line of business we are going to launch there is the commercial credit fund, which is planned for launch in Q3 of this year. It is also going to be about a 2,000 crore fund and will be the first of our credit offerings.

In the next financial year, we will look to enter the real assets line of business. We will therefore have multiple lines of business in alternatives.

Alternatives AUM has doubled from last year to the current year because we raised a billion-dollar fund last year. It is a 2/20 product with a 10-year life. Because we now have so many products under management, we will also continue to deliver healthy carry revenues in this business. This is also part of our annuity revenues because each year we now have planned exits across multiple products for multiple years, which will generate very strong carry revenues for us.

Alternatives itself generated approximately 220 crore of PAT last year, and this year we expect more than 400 crores of PAT to come only from private market alternatives. Our growth, or rather our return track record, has been very strong. Almost all our products are above 20% IRRs, while the hurdles are 10% or 12%. We are therefore sitting on significant outperformance over the hurdles, which explains the continuous accrual of carry in the business.

Coming to the private wealth business, we have invested significantly in talent. We have a strong right to win in this business because we have many synergies within the Group that can help the business become larger successfully.

We have a strong broking platform to work with. We have a strong investment banking platform, where we have many promoter deals and blocks, through which our private wealth business can also synergize.

Management: We also have many investee companies on an alternative private platform where, upon exit, the private wealth business gets an opportunity. We also have a strong asset management business, as I explained. We have a niche alternatives business with many lines of business, which I explained, and this is again a unique or niche offering to our private wealth clients.

The internal adjacencies are so strong that our private wealth business will outperform the competition, given these strong internal adjacencies. With the investment in relationship managers, we have doubled the RM count to more than 400 RMs. There has been a lot of focus on building the UHNI platform over the last three years, and our average ticket size there is now 25 crore.

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Overall, in the private wealth business, there is a lot of focus on building the UHNI segment. Our product basket has been deepened. We have created many product baskets apart from alternatives. Co-investment has been a very large product for us, both in equities and private debt.

As an example, we have recently completed multiple transactions in private debt. We completed the JBM ECOLIFE transaction, in which many of our larger family offices invested. We also completed the Inox Green Energy transaction, in which family offices again invested.

These are very large transactions, of approximately 1,500 crores in the Inox Green example I mentioned, in which private credit conducts its own underwriting. The fund will buy 300 crores of the investment, and the remaining 1,200 crore will be subscribed by our family office clients.

These are the kinds of strong synergies and product pipelines, supported by the strong underwriting track record that we have on our alternatives platform. That is how we are building significant product capabilities.

We have also built advisory-driven products in equity, debt, and structured products. We have invested in talent across each of these areas. We have also created an offshore advisory business within private wealth. We have a dedicated lending head in our private wealth business.

The lending book is over 4,000 crores, and we want to deepen that as well because many UHNI clients need bridge finance or leveraged finance, where we have an NBFC to support that lending.

We believe that the private wealth business will continue to grow as productivity increases through the addition of the RMs we have made over the last three years, the product basket we have deepened, and the Group synergies we have. That pie will continue to grow. ARR has also been growing at approximately 35–40% CAGR, and this will continue given the investments we have made.

Coming to the retail wealth management business, which largely includes mass and affluent customers, over the last three to five years we have expanded the distribution of financial products to these retail clients. Distribution AUM has been growing at approximately 40–45% CAGR and has now reached about 50,000 crores.

This is primarily a trail-driven revenue pool that we are building within our retail broking business because our cross-sell ratio is about 18%, and we want to cross-sell many financial products to our base of broking clients.

Lending is another significant opportunity there because we are present in the cash segment in a substantial way. Our MTF book is already about 11,000 crores, and the gross book has crossed 11,000 crores, with a healthy market share. Our cash volumes have been growing, and our derivative volume has also grown this year. Our market share in both derivatives and cash has grown in this financial year.

With the growth in market share, further growth in the distribution pool, and further growth in the MTF book, we believe there are strong factors supporting this business. The business is facing headwinds from many regulatory changes, but despite that, we have multiple levers to grow this business, as I explained.

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Coming to our capital market business, which includes investment banking and institutional equities, this is a business where we have significantly improved our league table ranking over the last three years. We have again invested in talent there. Our team size is now over 70 people, compared with only 20 members three years ago.

In investment banking, we continue to rank second in the league table for QIPs and IPOs combined. This is a significant improvement, and we have a very healthy pipeline to execute many of these deals. Revenues are very strong in this business at this juncture, given the strong surge in promoter blocks, primary issuances, QIPs, and similar transactions.

We are also creating multiple lines of business there. While we are very strong in ECM, we are now also trying to build the M&A side of the business. We are hiring on that side as well.

On the institutional equity side, our coverage now stands at 400 stocks, which is the highest in the industry. We are covering 400 stocks and soon want to cover 500 stocks. We have invested significantly in the analyst team and have the highest number of industry analysts.

Overall, with more product lines—including investment banking and ECM, the M&A business now being built, cash and derivatives already in place, strong corporate access, and the best research—we believe there are further growth opportunities through synergies in both the institutional equity and investment banking businesses.

We have now also received the custody license. This completes our entire institutional offering to clients because that was the only missing piece. We are the first to receive this license after almost 15 years, when Edelweiss had received the license. No non-bank player has been allotted this license so far. We are the first to receive it, and soon we will make further announcements for this business.

This is a very interesting story for us because we already have a very large institutional client base to which we can offer this service. We will also build growth in this business over the next three to five years. That covers our entire capital market suite of businesses.

Coming to the home finance business, the business is growing and performing very well. In fact, the business has grown well over the last three years. We continue to grow at 25–30% CAGR in AUM and 20–25% CAGR in profits.

Operating leverage has yet to fully play out because we invested significantly in talent in that business. We are now seeing the benefits of that business emerging. We have strong asset quality, strong availability of capital, low leverage, and a lower cost of funds, because our cost of funds is 7.9%.

We also received a rating upgrade from CRISIL to AA+, which is just one notch below AAA. We therefore believe that there are many factors supporting the growth of our operating performance there. As we continue to grow at a relevant scale in the coming periods, we believe we will look to monetize that business in the best way the Board considers appropriate at that point in time. That is where we stand in home finance.

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The last segment is our treasury segment, which I explained earlier. Our net worth predominantly consists of investments in treasury. As I explained, the treasury investments have grown, and the capital for our operating businesses continues to grow, with new capital being invested in treasury and IRRs being earned on it.

This is how we continue to differentiate ourselves even in terms of balance sheet growth. Our net worth growth has been 28% over the last five to six years. Our stock has delivered a 38% CAGR over the last six years. Compared with the Nifty 500, it has delivered almost 16–17% alpha.

That covers the Group and the various updates across the businesses. Thank you for listening patiently. I will now open the floor for further discussions and Q&A.

Operator: Thank you so much, sir. That was a very insightful overview. Any participant who would like to ask a question can raise their hand or put it in the chat box. We will first take up questions from participants who have raised their hands and then move to the chat box. If time permits at the end, I will take up the questions that I have received from clients who were unable to join this call.

We have our first question from Tanuj. Tanuj, you are unmuted.

Management: Sorry, we cannot hear you.

Operator: Tanuj, are you able to hear us? I think there is a network issue at Tanuj's end. Tanuj, you can rejoin this call. We will take up the next question. We have our next question from Nikhil.

Nikhil: Good morning. Can you hear me?

Operator: Yes, yes.

Nikhil: Thank you for the fantastic update. My question is focused more on the wealth management business. You explained both private wealth for UHNIs and the retail wealth business very well. My question is that Motilal Oswal clearly has a strong right to win, given the various adjacencies and the growth it has been seeing. Overall, the wealth management industry is seeing strong tailwinds, along with a lot of competition and an increase in competition. How do you see yourself positioned against some of the other players in the market?

Management: You are referring to the private wealth management business, rather than the broking side of the business, correct?

Nikhil: Precisely.

Management: Certainly, in private wealth, we still have a significant gap to cover compared with the industry-leading player. However, we have built all those capabilities over the last few years because we are as competitive as the leading players, and we also have many niche capabilities.

There is no other player in the industry that has a very strong retail broking business, a retail AMC business, and a private wealth business. In alternatives, we have track records in equity growth, credit, and real estate. These are niche products available only to our private wealth clients.

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I also spoke about private credit as a new line, where we are co-investing in many of these deals with the fund. If the fund size is 3,000 crore, the fund can write a 300 crore cheque. But if we are investing, say, a 1,500 crore cheque, we have a balance sheet and a private wealth business. Those family office clients need a lot of this capital, and I think that is where we are very much present.

We have many differentiated rights to win in this business. In addition to the synergies, we have attracted a lot of talent because our brand name is very strong. We have been able to attract a lot of talent from the private banking industry as a whole.

In fact, we have brought in many senior heads. We brought in the Head of HNI from ICICI Securities, Anupam Guha, who had 25 years of experience. We brought in Akash Ariyani, who heads our family office, from Kotak Private Banking. We brought in Sandeep as CIO from Credit Suisse.

A lot of senior talent has been put in place over the last three years. A lot of RMs have also been added. The HNI business was already strong for us. We have focused on building the UHNI business and are continuously adding to the RM pipeline there.

Competition exists, but the size of the industry is also growing very rapidly. HNIs and UHNIs are expected to grow at very fast rates. We believe that with the product offerings we have, the talent additions that have happened, and the Group synergies, along with the many promoter connections that our promoters have, we are well placed to outperform the best players in the industry in terms of our growth rates.

Nikhil {? Nikhil ?}: That makes sense. I have one question. Now that you have almost these four lines of business, is there an equal focus on all four lines—asset management, wealth management, capital markets, and home finance—or is there a pecking order, with one being more important than the others?

Management: Actually, everything is one, except housing, because the other five segments are so well interconnected and integrated that, while they are reported separately as segments, they are actually one single umbrella. There is therefore no pecking order as such.

However, what we are seeing is that the annuity assets being built in areas such as asset management, alternatives, private wealth, and the distribution business in broking, as well as NIIIs, will have a higher growth rate in the coming periods. Transaction revenues will have their own cyclicity or volatility depending on regulatory changes, market cycles, and so on.

As I said, except for housing, everything is integrated in a way that all of it should perform well. Despite two years of a challenging Nifty environment, we have still grown very well in terms of our trail revenues, at more than 30–35% CAGR. That is how we look at the overall pie.

Nikhil {? Nikhil ?}: That makes sense. Just one last question. You had a very good Q1. Is there any guidance going forward? How are you looking at the rest of the year?

Management: For the rest of the year, while we do not provide guidance, as I explained, we believe the base case is that we should grow at more than 20% year-on-year. That is the base case because the annuity nature of our revenues is being built very well.

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As I explained, our embedded growth in AMC is 30% today, based on closing AUM compared with last year's average AUM. In alternatives, as I explained, we have almost doubled AUM year-on-year, and we are also estimating a doubling of profits.

I also explained that private wealth has grown ARR at a 40% CAGR. We believe that with such strong growth rates in the asset management and private wealth engines, which together represent 55% of our profit mix, and with investment banking also performing well, the outlook is positive.

From June to September, which I think are very busy months for this business, investment banking completed a large portion of its deals, revenues, and transactions. That is why we believe that this year will turn out to be another good growth year for us, given all these factors.

Nikhil {? Nikhil ?}: Thank you very much.

Management: Thank you.

Operator {? Juhi ?}: Thank you, Nikhil. I would like to repeat that if any participant has questions, they can raise their hand or put them in the chat box. As no participant has raised their hand, I will take up the questions from clients who were unable to join this call.

What is the medium-term target for ARR as a share of net revenues, and how much of the remaining transactional, market-linked revenue is structurally reducible versus inherent to the broking franchise?

Management: Juhi, there was some interruption in the voice, but I understood the broader question. ARR has grown significantly from the last financial year to the current financial year because, as I explained, the annuity assets have been growing.

With a 66% share, we believe this share should continue to rise over the next few years because of the continuous growth in asset-driven businesses.

Regarding transaction-driven revenue, if you look at our brokerage composition, transaction revenue includes fee-based revenues such as investment banking fees. We are seeing many headwinds there. That business will continue to perform, but it can be cyclical.

From the perspective of retail broking and wealth management brokerage, that pool is facing challenges because of the regulatory headwinds that I explained at the start. However, we expect it to grow this year because our market share has increased.

Within that pool, brokerage contributes only 40% from F&O. The industry has a higher proportion of F&O. We have always been more focused on cash advisory than F&O, so the impact of the regulation is relatively lower on us.

Even within F&O, if you look at brokerage in the overall pool, retail brokerage represents only about 15-16% of the Group's revenues. Within that, F&O is only about 40%, so only 5-6% of Group revenue comes from F&O.

We therefore have a very diversified stream of revenues. Even when there are headwinds affecting transactional revenues, we are well covered by higher fee income and higher cash volumes. Cash

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brokerage is higher than F&O brokerage, and so on.

With this entire diversification, we believe TBR is also much more stable. Even in businesses such as distribution and private wealth, TBR is now much more stable. We have built capabilities not only in unlisted equity but also in co-investment and private debt.

That is how we have tried to stabilize TBRs further. At the same time, ARR will continue to grow, as I explained. I hope that answers your question. Juhi, you are on mute.

Operator: I think Juhi is still unavailable. I will take the next question from the chat. The question is from Varun Shrivastava. The next question is from Jigar Savla.

We see that AMC AUM is heavily skewed towards the mid-cap fund. What is the plan to make it more diversified, and by when can we expect that to happen?

Management: I explained this while covering the AMC segment, but I will reiterate it. We have six products in our active funds, including the mid-cap fund, which is the largest at approximately 40,000 crores of AUM. It is followed by the flexi-cap fund, the small-cap fund, and others.

We had six active schemes that were more than three years old, and that is how the bulk of the flows came to us. Our growth over the last three years was built on the base of these schemes.

Over the next three years, we will see the bulk of the growth coming from the other funds as they complete three years or more. Ten additional products that we launched over the last three years will complete three years over the course of the next 15 months, starting with the small-cap fund and others.

That is why we will see more diversified flows. The performance of these new funds over the last three years ranks first. Almost all the funds rank first. We therefore believe there is a very strong possibility of attracting flows into all these funds.

That is how we will diversify. Alternatives within AMC are also beginning to receive positive net flows. The industry itself had slowed down in public market alternatives, which include Category III and PMS, but we are now growing there as well.

We also have other growth avenues, such as Gift City, new launches where we have yet to cover the full categories, and new passive launches that we will undertake. All of these will lead to broader-based and more diversified flows for the AMC business.

Operator: I think Juhi is still unavailable. The last question was from Varun Shrivastava, and the next question is from Jigar Savla.

What will be the net interest income from MTF, and what percentage of consolidated PBT will it represent? Are we facing liquidation of client portfolios that have availed themselves of MTF?

Management: MTF has grown very strongly for us, and we have very healthy NIMs in that business. Our spread on the book is approximately 5.5%, because the average lending rate on MTF is about 13.5% and our cost of funds is about 8%.

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With these healthy spreads and an interest-earning book of approximately 9,000 crores, you can multiply 9,000 crores by the approximately 5.5% spread. That is the kind of NII revenue that will continue.

The book has grown by more than 50% year-on-year, partly because cash volumes have also started to grow again.

Looking at overall NII as a proportion of consolidated revenues, our overall NII will be about 31-32% of consolidated revenues. This NII includes NII from MTF, our private wealth business where we provide LAS, and our housing finance business.

NII will therefore continue to be a healthy component, with approximately one-third of the total continuing to come from NII. Broking contributes approximately 20-22%, and the rest is fee income.

The fee income pool is expanding rapidly, as I explained. NII will remain an important and healthy component because we have a strong balance sheet, and these are adjacencies to our fee-earning businesses.

We are not in the lending business as a standalone business. Lending is adjacent to the growth of our private wealth business, our broking business, and our distribution business, where we use capital to write larger cheques and offer them to family offices or larger clients.

With low leverage, more equity available, a better rating, and sharper lending growth in these adjacent businesses, we believe NII will also be an important component of our growth. I hope that answers your question.

Analyst1: How does management think about reinvestment versus cost rationalization in brokerage?

Management {? Shalibhadra ?}: In our brokerage business, the model we run is very different from that of the industry. Half of our revenues come from channel partners, where we have more than 98% pin code presence. This is not a fixed cost on our balance sheet. These are entrepreneurs, large franchisees, and distributors who undertake broking, distribution, and NII activities for us.

We have significantly variable-ized this model. Only one-third of the costs in our P&L are fixed, while two-thirds are variable.

Even in cyclical times, such as 2023, which was a largely flat year for the Nifty, and the period between September 2024 and September 2026, during which we are seeing some flattening, our margins have remained largely intact because of the variable-cost model.

We will always continue to invest in talent, technology, and the brand. We have continuously made these three investments in our P&L every year.

Our consolidated P&L gives us significant headroom to invest because we have the highest margin in the industry, with a PBDIT margin of more than 50%. We do not want to increase this PBDIT margin; rather, we want to invest in talent, technology, and the brand at the cost of that PBDIT margin.

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Because we have very strong margins, we believe investment will always continue through the P&L. We do not look to stop these investments. There may be cyclicalities, but the required investments will continue because we have achieved scale and variability in our cost structure.

The brokerage business still has a very healthy profit margin because of its low fixed-cost base. In terms of overall talent additions, there may be some moderation, but the required talent will continue to be hired.

Operator: Thank you, sir. We have our next question from Jigar Savla. Will we consider separately listing the AMC business to unlock value for shareholders?

Sorry, we lost you. The next question is from Jigar Savla. Will we consider separately listing the AMC business to unlock value for shareholders?

Management {? Shalibhadra ?}: Hi, Jigar. I explained that there are many synergies operating across all the businesses in the Group, except housing.

We do not view AMC separately as a segment to be listed on its own. If the business is performing well and outperforming the industry, there should not be any holding-company discount. If the businesses grow, they will always be valued without any holding-company discount.

There is therefore no point in viewing it as a demerger. In fact, the players that have tried to demerge have done so because they diluted a subsidiary through an investor, because of large ESOP pools in the subsidiary, or because of a capital requirement.

From our perspective, we do not see a need for such a demerger. In fact, players that have demerged have also tried to merge the businesses back and add all the adjacencies that we have with the business today.

We therefore do not see a need to separate these segments. The only segment that is not synergistic is Home Finance. We may examine how we can unlock value in that business in the best possible manner.

Operator: Thank you, sir. We have our next question in the chat box. What is our strategy for the treasury segment? Broadly, how much exposure do we have to large-cap, mid-cap, small-cap, and foreign equities?

Management {? Shalibhadra ?}: Our treasury is a differentiated concept. As I explained, we invest 80% of every year's free cash flow predominantly in the treasury book. Unless the business requires capital, we invest the funds in treasury.

This has led to a 40% treasury book CAGR over the last 11 years, since we started treasury investing as a separate segment on our balance sheet. The 40% includes an 18-19% IRR on the book, and that 18-19% IRR is almost 350 basis points of alpha over the index.

The objective there is to continuously generate 300-400 basis points of alpha over index returns in the treasury. The treasury is predominantly equity treasury, with 95% invested in equity. Approximately 85% is invested in our own Group products, and 15% is in direct equities.

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We do not have any foreign exposure in the treasury book. The investments in our products are predominantly made up of AMC products, which represent approximately 60% of the AUM. These are well-diversified funds across large-cap, mid-cap, and small-cap categories. Overall, we have invested across products and themes.

Over time, our style in AMC has predominantly been growth-oriented, and our predominant exposure will also be to mid-cap and small-cap stocks. This has remained the case over the years.

That is how we will continue to differentiate ourselves because we see many bottom-up stock-picking opportunities in AMC and, consequently, in our treasury.

Treasury is approximately 60% invested in our AMC, 25% in alternative private market funds, which are equity growth funds consisting of unlisted investments, and 25% in direct equities. These investments have generated more than 20% IRRs and are growing well.

We will continue to maintain a large proportion of approximately 50% in AMC assets, which are public market listed assets, because we want good liquidity on our balance sheet. We should be able to redeem money on a T+2 basis if we need capital for our brokerage business, for any inorganic opportunity that we may decide to pursue in the future, or for similar requirements.

Approximately 25% will be in private market alternatives, and approximately 25% will be in direct equities. We have therefore diversified across categories, products, and other areas. That is why the returns have remained above the benchmark for many years.

Operator: Thank you very much, sir. As we are short of time, we will need to end this call. Is there anything else you would like to convey?

Management {? Shalibhadra ?}: I think I have covered almost all aspects across each business and segment. If there are any further queries, please get in touch with us through Arihant or directly with Manish from our Investor Relations team. We will be happy to address any further questions or queries that you may have. Thank you.

Operator: Thank you. I would like to thank Shalibhadra Shah and Manish for joining this call, and all participants, on behalf of Arihant Capital Markets Limited. If you have any further questions, you can stay in touch with the team at Arihant Capital. It was a pleasure hosting this call. I will sign off. Juhi Manwani. Thank you very much, sir.

Management {? Shalibhadra ?}: Thank you. Goodbye.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.