

BSE SENSEX

63,523

S&P CNX

18,857

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Stock Info

Bloomberg	ANGELONE IN
Equity Shares (m)	83
M.Cap.(INRb)/(USDb)	135.9 / 1.7
52-Week Range (INR)	1673 / 1000
1, 6, 12 Rel. Per (%)	32/22/19
12M Avg Val (INR M)	709

Financials Snapshot (INR b)

Y/E March	2023	2024E	2025E
Revenues	22.9	26.2	29.7
Opex	10.7	12.6	14.1
PBT	11.9	13.3	15.2
PAT	8.9	10.0	11.4
EPS (INR)	107.5	120.2	137.3
EPS Gr. (%)	42.5	11.8	14.2
BV/Sh. (INR)	260.9	335.4	417.8

Ratios (%)

C/I ratio	46.7	48.0	47.5
PAT margin	38.8	38.0	38.3
RoE	47.6	40.3	36.5
Div. Payout	37.3	38.0	40.0

Valuations

P/E (x)	15.1	13.5	11.8
P/BV (x)	6.2	4.8	3.9
Div. Yield (%)	2.5	2.8	3.4

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	38.5	43.7	44.0
DII	13.0	12.6	10.3
FII	13.3	14.0	9.0
Others	35.2	29.8	36.7

FII Includes depository receipts

CMP: INR1,622 TP: INR2,000 (+23%)

Buy

Readiness to seize future growth opportunities

- India is currently at the initial phase of a multi-decadal trend of financialization of savings. Over the course of this decade, India is expected to transform into a nation of investors, characterized by the availability of sophisticated financial products, robust capital markets, and a progressive regulatory regime.
- ANGELONE, in its FY23 annual report, has re-iterated its vision to empower millions of individuals to participate in investing digitally and benefit from India's growth story. This vision is reflected in ANGELONE's Super App Strategy, which aims to go beyond traditional broking services and develop innovative solutions, which will be instrumental in unlocking future growth opportunities.
- The robustness of ANGELONE's fintech model demonstrates a healthy LTV:CoA of 7.8x based on the first three years of aggregate client revenue. As clients increase their engagement on the platform, the LTV:CoA will have a long runway of growth.
- Various technological initiatives have helped ANGELONE reduce its computation and load time by 7x.
- The Super App continues to be the face of the company, emphasizing client engagement and generating long-term value for its customers. The Super App has established a strong groundwork for incorporating additional client journeys.
- Currently, brokerage and allied activities contribute ~95% of the company's revenues. Over the long term, diversification will accrue as Angel enhances its distribution income. The company's PBT margin expanded to 52% in FY23 from 25.5% in FY20, primarily driven by scale benefits and effective cost-control measures.
- Core to Angel's growth strategy has been its customer acquisition initiatives, wherein, it has targeted the Millennial and Gen Z population in tier 2 and tier 3 towns. As a result, the share of tier 2 and tier 3 towns in its gross customer additions has surged to 94% in FY23.
- In Feb'23, ANGELONE obtained approval from SEBI to start its AMC business. The proposed AMC aims to offer tech-driven wealth management products, including the increasingly popular ETFs and passive schemes. This move is expected to disrupt the traditional methods of production and distribution of wealth products.
- Valuation:** We expect it to maintain a cost-to-income ratio around the 50% mark in the medium term. This is because the incremental cash flows will be invested toward employee additions, technology enhancements, and customer acquisitions. **We reiterate our BUY rating on the stock with a revised TP of INR2,000 (premised on 14x Mar'25E EPS).**

Prayesh Jain – Research Analyst (Prayesh.Jain@MotilalOswal.com)

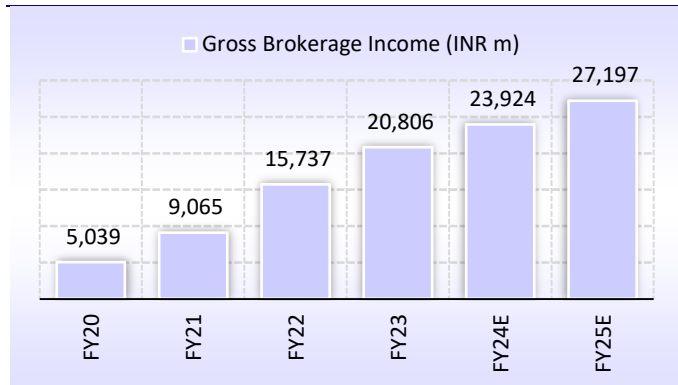
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

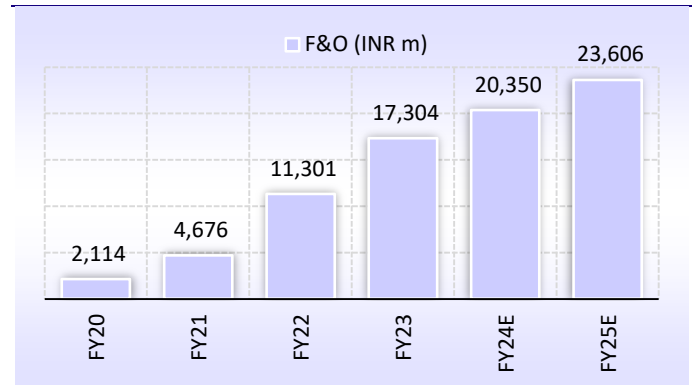
STORY IN CHARTS

Exhibit 1: Gross broking revenue for ANGELONE ...



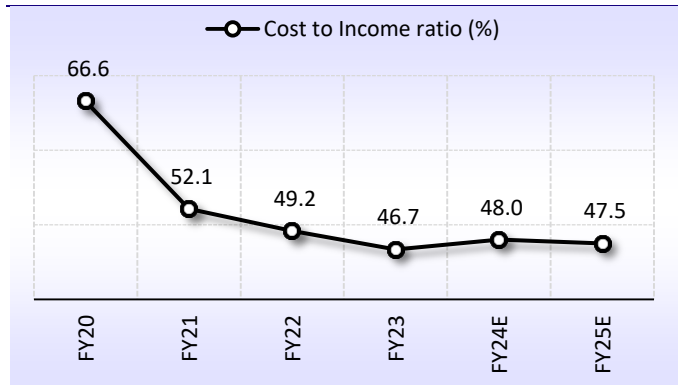
Source: MOFSL, Company

Exhibit 2: ...is largely driven by F&O brokerage income



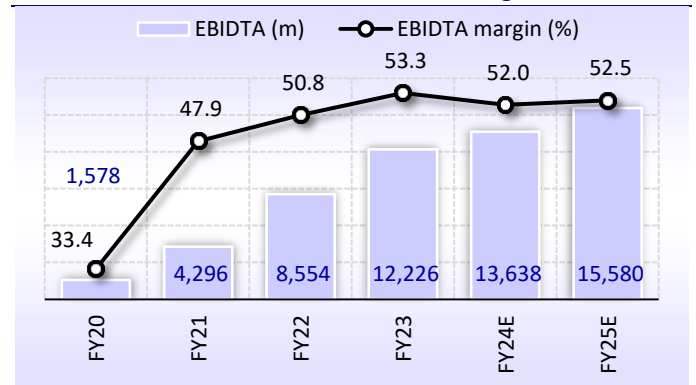
Source: MOFSL, Company

Exhibit 3: Operating leverage facilitating decrease in cost-to-income ratio



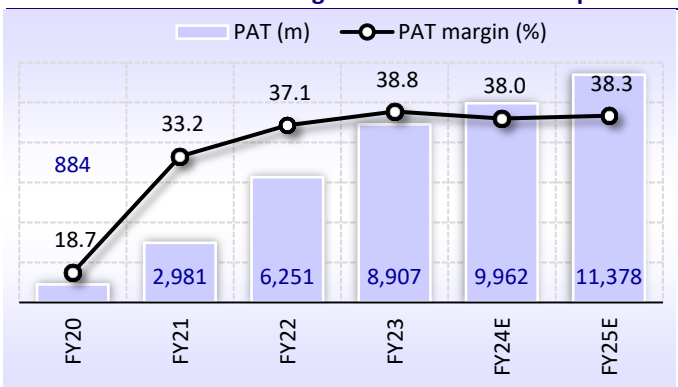
Source: MOFSL, Company

Exhibit 4: Trends in EBIDTA and EBIDTA margins



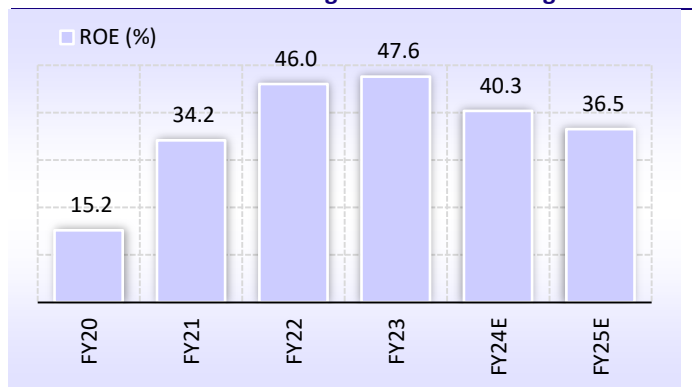
Source: MOFSL, Company

Exhibit 5: PAT and PAT margins continue to trend upward



Source: MOFSL, Company

Exhibit 6: Return ratios in high 30's over the long run



Source: MOFSL, Company

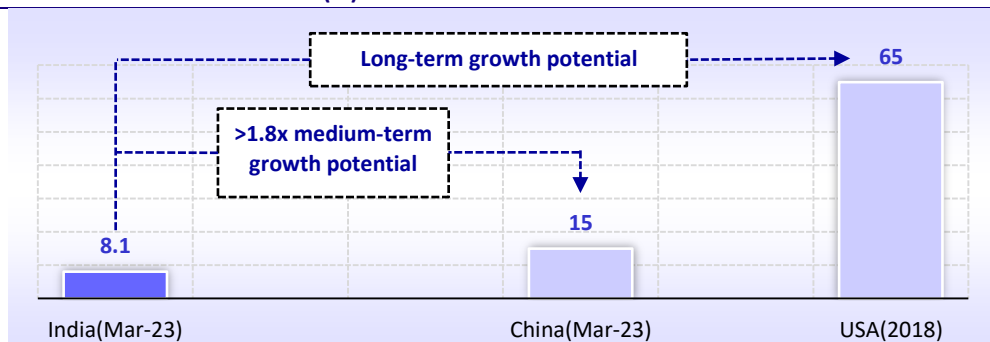
Opportunities with the rise of Indian retail investor

“We are at the cusp of an enormous growth with all our intrinsic pillars in place. Our strategic objective is to help create sustained value for millions of Indians, residing in smaller towns and cities. We continue to deliver this with various offerings, served through our platform. Our efficient digital ecosystem helps us to seamlessly acquire, engage, and serve clients. Our deep understanding of clients, technological leadership, and domain expertise, places us at the forefront of the massive transformation being witnessed by the industry”

Mr. Prateek Mehta
(Chief Business Officer of Angel One)

- The share of retail investors expanded to 36.5% in equity cash turnover in FY23 from 33.0% in FY16. Also, their share in equity derivative turnover segment expanded to 27.7% in FY23 from 23.0% in FY16. This trend reflects that the retail investors are having a good portfolio mix. The retail investors are gradually building a portfolio for the long term.
- As per RBI data, Indian households have demonstrated a steady rise in mutual fund investments in FY23 with a better understanding of financial instruments. The share of Domestic Mutual Funds (DMFs) has risen to record levels and now owns 9.5%, 8.4%, and 8.1% in the Nifty 50, Nifty 500, and NSE-listed companies, respectively, in the December 2022 quarter. The growth in digital infrastructure is aiding the rise of Indian retail participation (~8.1% demat penetration as of Mar'23) in the capital market ecosystem.
- Moreover, the increasing number of new account openings reflect the growing interest among a rising group of new investors. The demographic profile of India is predominantly young and more digitally inclined. With improving literacy rate and growing awareness of financial assets, young investors are increasingly seeking to expand their savings into financial assets rather than physical assets such as real estate. As a result, India continues to witness significant expansion in its demat account base, which grew by ~25m in FY23, taking the total number of demat accounts to 114m as of Mar'23.
- **Digital Broking continues to be the game changer** - The Indian broking industry is consolidating toward digital brokers with its market share (NSE active clients) growing to ~60% in FY23. The technological prowess of digital brokers enables them to provide services to clients at competitive fees and charges.

Exhibit 7: Demat Penetration (%)



Source: MOFSL, Company

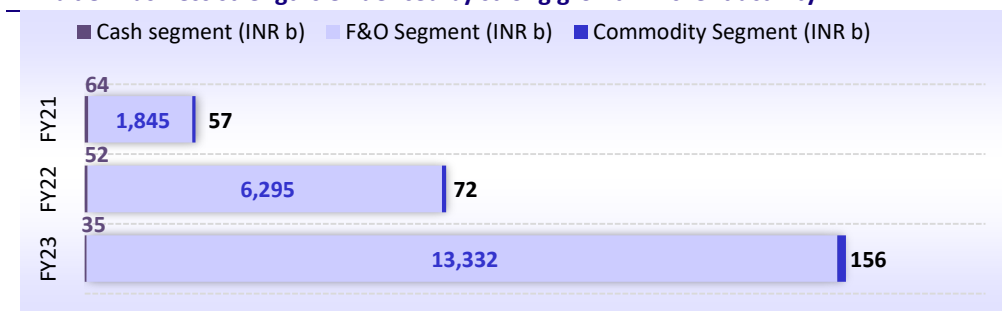
Business strengths with multi-year revenue visibility

Business Strengths

As a fintech company, ANGELONE is at the forefront of revolutionizing financial services through the utilization of data and technology. By harnessing these capabilities, the company enhances accessibility, convenience, and efficiency in its offerings. This not only fuels growth for ANGELONE, but also delivers unparalleled value to clients. **ANGELONE's key strength includes:**

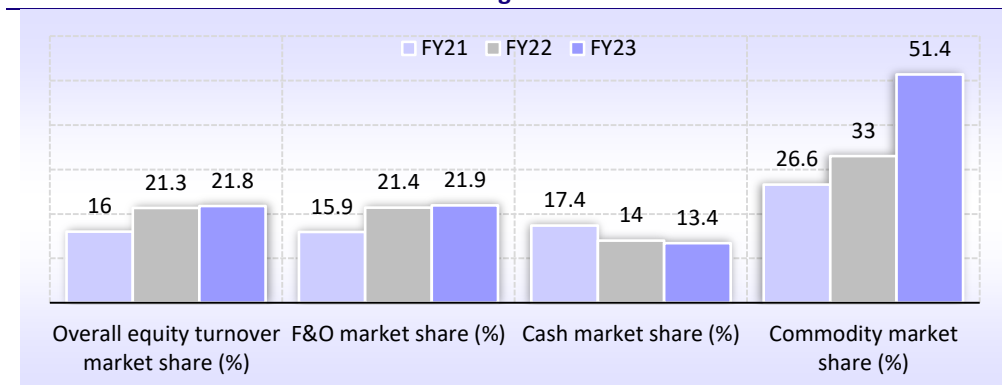
- **Anti-fragile business model** - It is backed by a superior full-stack technology base. It has a well-defined playbook for onboarding, acquisition, and retention.
- **Full-stack technology base** - It has made strategic investments in technology stack to create a seamless experience for clients. It is well facilitated by ruggedization of backend services and digital experience curated by AI and ML.
- **Geographic reach** - Focus is on acquiring clients in new and upcoming pockets of growth in India (beyond tier I cities). This is enabled by a strong and scalable platform, with competitive pricing. (>94% gross client addition from Tier 2, 3, and beyond cities in FY23)
- **People-first culture** - ANGELONE offers seamless onboarding experience for new employees into its culture of excellence. This is facilitated by a highly experienced management team that effectively leads the organization. The company adheres to industry-best governance practices, promoting accountability and transparency in its operations. In addition, ANGELONE prioritizes skill-building initiatives, with approximately 89.5% of its employees participating in such programs in FY23.

Exhibit 8: Business strengths evidenced by strong growth in client activity



Source: MOFSL, Company

Exhibit 9: ANGELONE market share across segments



Source: MOFSL, Company

Strong multi-year revenue visibility from acquired clients

- ANGELONE possesses the ability to quickly adapt to changing times. The successful transition from the traditional model to a digital one is a testament of this. ANGELONE is committed to leveraging it to its fullest potential.
- With this newfound growth potential, ANGELONE looks forward to expanding their service offerings further, providing increased value to customers.
- The fundamental principle has always been to stay focused on unit economics and ensure profitable operations while prioritizing clients and enhancing their experience. The digitally native nature of the business enables better revenue progression, with a long runway for growth, as it offers a diverse range of products through the Super App platform.
- The robustness of ANGELONE's fintech model demonstrates a healthy LTV:CoA of 7.8x based on the first three years of aggregate client revenue. As clients increase their engagement on the platform, the LTV:CoA will have a long runway for growth.

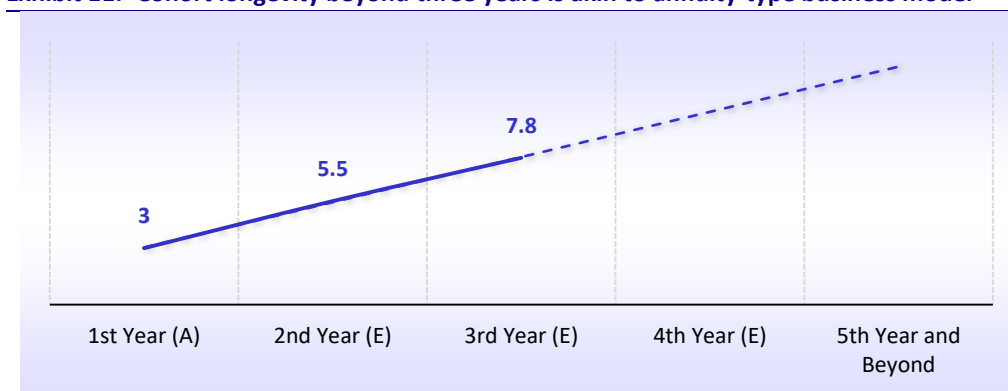
Exhibit 10: FY22 Cohort: Revenue / Cost of Acquisition representation (estimated three-year behavior based on latest actual revenue progression)

INR (in m)	Year 1-A	Year 2-E	Year 3-E	3-Yr Aggregate	3-Yr Rev./COA
Total net revenue	9,617	8,274	7,393	25,284	
% of year 1 revenue		86%	77%		
Cost of acquisition(COA)	3,226	-	-	3,226	7.8x
Direct cost	1,015	606	582	2,203	
Total cost	4,240	606	582	2,203	
Contribution margin	5,376	7,668	6,811	19,856	
Contribution margin (%)	55.9%	92.7%	92.1%	78.5%	

* Year 2 onwards are management estimates based on historical trends of clients, who have completed Year 2 or beyond

Source: MOFSL, Company

Exhibit 11: Cohort longevity beyond three years is akin to annuity-type business model



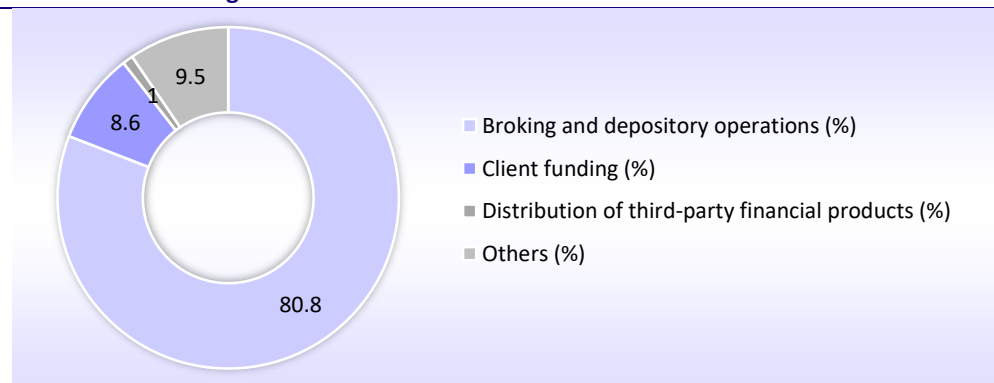
Source: MOFSL, Company

ONE platform for financial products

Business segments for ANGELONE are discussed below:

- **Broking & depository operations:** ANGELONE's broking product suite are delivered through its Super App platform. Clients are acquired through two primary channels: i) Directly and ii) Authorized Persons. The NXT partner platform empowers a vast network of Authorized Persons to digitally acquire, engage, and service clients. ANGELONE's research team provides qualitative and quantitative research services. ARQ serves as the flagship digital rule-based recommendation engine.
- **Client funding:** The client funding across Margin Trading Funding (MTF) and Trade+7 days funding (T+7) at ANGELONE is subject to specific existing regulations, ensuring a high level of transparency. These regulations govern the funding process and require daily reporting of relevant information. ANGELONE has robust real-time automated risk management system in place. By incorporating additional proprietary risk and exposure parameters, ANGELONE has further enhanced its selection process for stocks. It funds ~60% of those that meet the criteria.
- **Distribution of third-party financial products:** ANGELONE distributes third-party mutual funds, IPOs and bonds, while life, health, and general insurance products are distributed through its wholly owned subsidiary. This business is an integral part of the digital growth strategy to enhance clients' lifetime value and fulfil the financial needs of its young client base.
- **For Mutual Funds** ANGELONE follows an 'open source' distribution model, which focuses on providing clients with access to a wide range of tools and information to enhance their decision-making capabilities. In FY23, it launched the Direct Mutual Fund offering on digital platforms, doubling the monthly unique SIP count to ~41,000. ANGELONE recently obtained in-principle approval from SEBI for setting up its own AMC. The proposed AMC aims to offer tech-led wealth management products, including the increasingly popular ETFs and passive schemes. This is expected to disrupt the traditional methods of production and distribution of wealth products.
- **For Insurance,** Angel Financial Advisors (AFA) is engaged in distributing a range of life, health, and general insurance products.
- **For Bonds,** ANGELONE through its digital platform distributes Sovereign Gold Bonds, which are periodically issued by the RBI.

Exhibit 12: FY23 – Segment-wise revenue contribution



Source: MOFSL, Company

The Super App Strategy

Super App – The face of ANGELONE

- ANGELONE’s Super App is a multifaceted, AI-driven digital platform that offers a diverse range of features. With its top-of-the-line interface, the Super App provides users with an exceptional user experience. The core journeys of the app revolve around educating users about investing and trading across various asset classes. As the app expands its product offerings, it aims to foster strong multi-year bonds with clients. The primary focus of the company is to deliver a value proposition that extends throughout a client’s lifetime.
- The analytical capabilities of the app will provide several benefits, including: a.) Personalizing journeys for clients b.) Offering the appropriate product to each client, unlocking cross-selling opportunities, and maximizing the platform’s potential.
- The futuristic capabilities of the Super app, along with a clear tech roadmap, will make this an all-encompassing fintech offering. Broking and mutual funds are a precursor to demonstrate the prowess of this digital interface.
- **Pillars of Super App are:**
 - **SWIFT** - Faster interactions due to a refined and scalable broadcast, peak time order handling capabilities, biometric-driven instant login, real-time billing, etc.
 - **RELIABLE** – Significantly predictable, ensuring certainty of transactions. It has removed tech debt, rewritten backend services, and unboxed its back office.
 - **SIMPLE** - It aims to cater to individuals. It features modular onboarding and faster activation triggered by easy to-use features such as Insta Trade. It removed high friction areas such as the addition of bank account details during the KYC journey.
 - **TRANSPARENT** - It provides users with a detailed, jargon-free, one-tap view of trade and non-trade charges. It also features the profit and loss of trades in calendared visuals.
 - **AVAILABLE** – ANGELONE pioneered offline mode functionality, ensuring clients can always access their last synced portfolio, funds and order status. It has made redundant third-party integrations, allowing for a horizontally scalable architecture.

Exhibit 13: Features of Super App

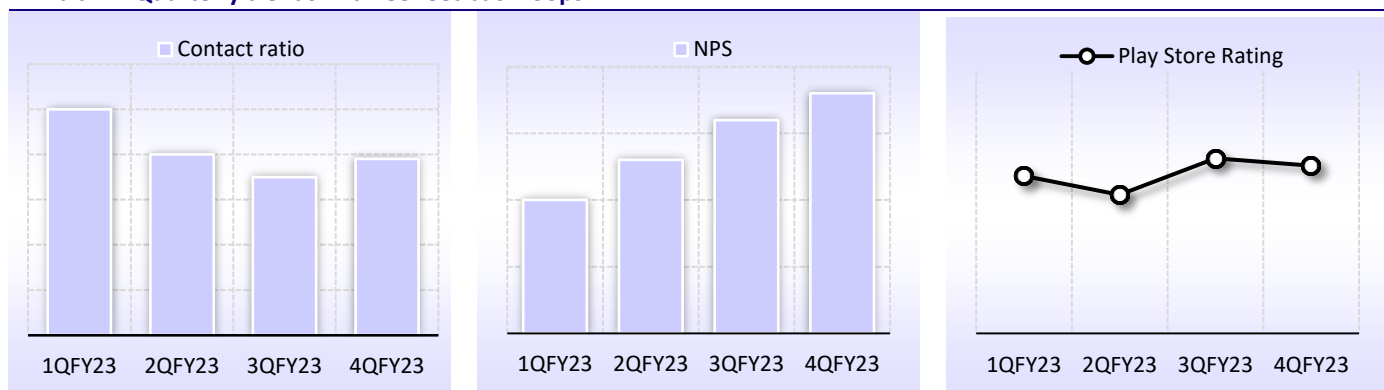
Availability <ul style="list-style-type: none">• Personalised home page Access everything with one tap• Access data in offline mode P&L, Funds and Order status basis last synced	Seamless <ul style="list-style-type: none">• Friction-less A/C opening Text scanning and one-click bank updation• Faster charting and order placement	Transparency <ul style="list-style-type: none">• Highest level of transparency Displaying charges upfront and listing trade and non-trade charges at the day/order level
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Source: MOFSL, Company

Continuous monitoring of feedback loops

- In FY23, the Super App was rolled out in a phased manner, commencing with the iOS and web, followed by Android. During the development and the roll out, the product and technology teams engaged with 10,000+ traders and investors to gather real-time feedback, thereby facilitating continuous innovation, iteration, and enhancement of the trading experience.
- Three significant feedback loops are Contact Ratio, Net Promoter Score (NPS), and Play store ratings. These metrics have shown significant improvements in the last three quarters, following the launch of the app.
 - **Lower contact ratio:** Continuous feedback and iteration loop helped ANGELONE improve the contact ratio. There has been a ~61% reduction in contact ratio in the Super App. The company initiatives include the following:
 - a. Building DIY help and support systems through in-app nudges, FAQs, and leveraging the long format SEO content.
 - b. Reduced downtimes and improved reliability across the app's core modules.
 - **Improved Net Promoter Score (NPS):** The successful launch and wide spread acceptance of the Super App led to the doubling of NPS. The company's primary focus on improving the swiftness of core transaction journeys for traders, and upgrading the first-time user experience, through contextual learning and a seamless UI/UX, was the foundation of client delight.
 - **Improved Rating:** ANGELONE's relentless efforts to revamp key trader modules, such as orders, charts, and options chain, have resulted in the app receiving a rating of more than 4 stars (4.1 rating). The constitution of a Customer Council has further enabled ANGELONE to engage with clients more effectively. This has resulted in a reduction in resolution turnaround time, ensuring greater client satisfaction.

Exhibit 14: Quarterly trends in three feedback loops



Source: MOFSL, Company

Tech-driven excellence: initiatives fueling innovation and efficiency

ANGELONE has continued to invest and build its technological capabilities with a singular focus to offer clients a superior experience and improved efficiency.

Following initiatives helped ANGELONE achieve **7x reduction** in computation and load time:

- **Ruggedization:** ANGELONE continued its process of hardening and modernizing the systems. Some of the initiatives undertaken include robust fixes, new micro services, and automation of operation processes.
- **New data center:** The augmentation of network capabilities and ML-based data science program, with the commissioning of the new data center, significantly enhances ANGELONE's bandwidth in serving clients.
- **Client data platform:** As an integral part of fintech strategy, ANGELONE upgraded ML algorithms to analyze client behavior across all interfaces, with consolidated viewing capabilities in order to curate personalized content and journeys for higher engagement.
- **Security:** At ANGELONE, utmost credence is given to the data privacy rights of clients. The company upgraded security measures and instituted two-factor authentication, which has the highest level of security.
- **Portfolio revamp:** Re-engineering of portfolio pipeline ensures greater reliability and automation in execution of the workflow with real-time updates of corporate actions.

Empowering human resource

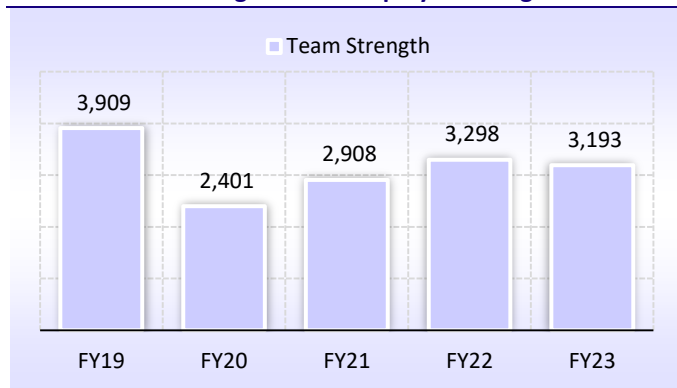
Empowering human resource

- The digital-first approach to encourage employees to hone their entrepreneurial instincts, imagine beyond the ordinary, learn-unlearn relearn has helped to deliver trail-blazing experiences for clients.
- In order to emerge as a coveted employer for achievers and innovators to build worldclass products for new-age retail businesses, ANGELONE focuses on hiring top-quartile talent from premier organizations.
- Furthermore, the campus program for interns and laterals is designed to recruit high performers from leading engineering and management institutes for a variety of roles at ANGELONE. In FY23, ANGELONE hired 1,141 new employees.
- Diversity, Equity, and Inclusion (D, E & I) is one of the foundational facets of ANGELONE's Human Resource culture. It continuously evaluates against relevant benchmarks to strive for a better, open, diverse, and inclusive workplace.
- To fulfil the commitment, ANGELONE has been conducting regular D, E & I audit studies, in association with a renowned consultant. These findings help to achieve benchmarks of global best practices in D,E&I initiatives.
- **Building a future proof workforce** - Through a culture of continual learning and development (L&D), ANGELONE empowers its employees to take charge of their careers. The L&D initiatives have been designed to promote holistic growth of employees, encompassing both functional and behavioral programs. ANGELONE has enabled access to 'Anytime, anyplace, anywhere learning' through a set of curated programs from SHRM, HRB, O'Reilly, LinkedIn Learning, and more, to build strong teams.
- **Angel Verse** - Angel Verse is a platform for instant reward and recognition. It is designed to promote an atmosphere of appreciation and gratitude, and inculcate a culture of trust, engagement, and collaboration by aligning individual success to organizational goals. It also serves as a community hub that promotes social engagement among all Angelites.
- Thousands of Angelites have worked together to make ANGELONE eligible for a 'Great Place To Work' certification for the 7th consecutive year.

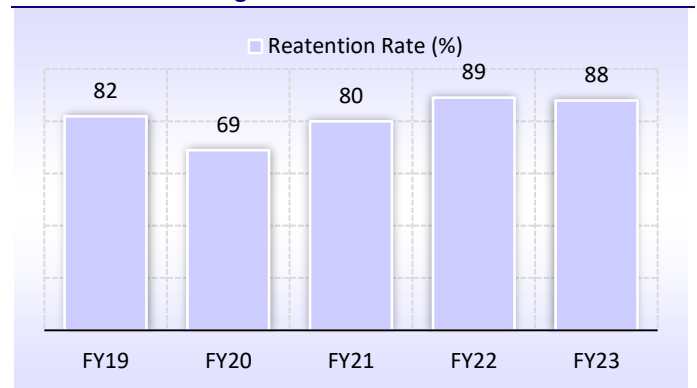
Exhibit 15: Snapshot of L&D in FY23

Initiatives	What we do
Learning Wallet	❖ Enables owners to invest in their development by providing them a monetary allowance
Women's Leadership Track	❖ Focus on a multimodal approach, including skill-building workshops, master class sessions, group coaching, and action planning.
Leadership Accelerator Program	❖ A 90-day journey that leads to the development of mind set-skillset-toolset.
Launchpad	❖ Talent development initiatives that transform individual contributors into people managers
Manager Matters	❖ Empowering managers through up-skilling to transform them into exceptional leaders

Source: MOFSL, Company

Exhibit 16: Increasing trend in employee strength...

Source: MOFSL, Company

Exhibit 17: ...with higher retention ratio

Source: MOFSL, Company

Caring for communities

For Financial and Digital Literacy

- ANGELONE believes in enabling communities to become financially independent. As part of its flagship digital financial literacy program, ANGELONE has undertaken proactive measures to engage with marginalized communities. Their aim is to promote the advantages of saving, facilitate access to banking services, and establish connections with government social welfare schemes.
- More than 23,000 people have benefitted from this program. Strategic objectives for enhancing financial and digital literacy include:
 - Mobilize and train natives across various regions through financial planning workshops, and impart knowledge of basic financial services.
 - Introduce participants to the formal banking sector and the concept of regular savings
 - Inculcate financial prudence among the program participants.

For skill training and placement of youth

- The skilling program at ANGELONE is designed to provide comprehensive training in theory, practical know-how, self-learning and evaluation. To achieve this goal, ANGELONE has partnered with three non-profit organizations, namely, NIIT Foundation, Kherwadi Social Welfare Association, and Aajeevika Bureau Trust across multiple locations in Maharashtra, Gujarat, and Rajasthan.
- Through these partnerships, it aims to provide the youth with the necessary skills and knowledge to secure gainful employment in the formal sector.
- More than 2,100 people have benefitted from this program. Strategic objectives for skill training and placement of youth program include:
 - Providing specialized and tailor-made skill development and employability programs to youths in the age group of 18-30, residing in low-income households
 - Employing training methodologies that combine simplified theory and practical learning to strengthen vocational and soft skills, thereby facilitating successful placement with prospective employers.

Exhibit 18: Case study – bridging the digital divide

Case study



Bridging the digital divide

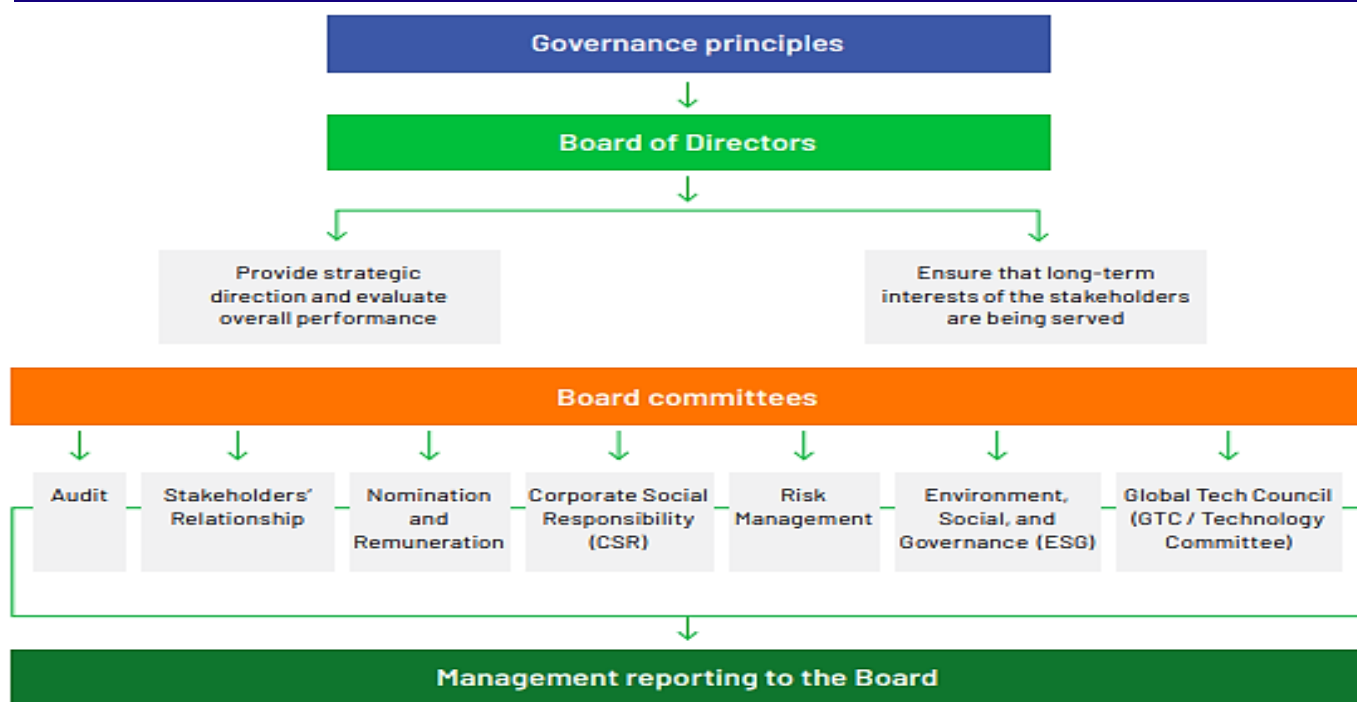
Our digital literacy initiative, in association with Raah Foundation, has helped women entrepreneurs in the Palghar district of Maharashtra realise the benefits of recording their daily business transactions on MeraBills, a multilingual mobile app that works on basic smartphones. It empowers these women to manage their invoicing, collections, cashflows, and other basic business aspects, after learning about small-scale business opportunities through interactive video platforms. The financial literacy programme has also equipped these women with the knowledge and skills to manage their finances effectively, paving the way for a brighter financial future.

Source: MOFSL, Company

Governance that creates value

- Business ethics are the bedrock of governance at ANGELONE. ANGELONE always strives to achieve the highest levels of corporate governance.
- The governance policies are based on the principles of full disclosure, fairness, equity, transparency, and accountability in our operations.
- It is committed to protect stakeholders' interests and build an enduring relationship with them.
- **Periodic business disclosures** - ANGELONE has always raised the bar in terms of disclosures. It is the only publicly traded company in the industry to have decided to voluntarily disclose key business parameters to stakeholders on a monthly basis.
- **Corporate Governance framework** – The company has established a Corporate Governance framework that upholds core values. Value enhancement of all the stakeholders is central to this philosophy. The Management's commitment to these principles is reinforced through the adherence of all Corporate Governance practices as mandated by the regulations.

Exhibit 19: Corporate Governance Framework



Source: MOFSL, Company

Exhibit 20: Key skills of Board

	Finance	Building client experience	Industry experience	Strategic Management	People management	Innovation and technology
Dinesh Thakkar	Yes	Yes	Yes	Yes	Yes	Yes
Ketan Shah	Yes	Yes	Yes			
Krishna Iyer	Yes		Yes			Yes
Uday Sankar Roy	Yes	Yes	Yes			
Kamalji Sahay	Yes	Yes	Yes			
Muraldharan Ramachandran	Yes	Yes	Yes			Yes
Mala Todarwal	Yes	Yes	Yes			
Krishnaswamy Arabadi	Yes		Yes			Yes
Kalyan Prasath	Yes		Yes			Yes

Source: MOFSL, Company

Valuation and view

- ANGELONE is a perfect play on: 1) the financialization of savings and 2) digitization. It demonstrated a strong operating performance in FY23 even during challenging market conditions. We expect it to maintain a cost-to-income ratio around the 50% mark in the medium term, as its incremental cash flows will be invested in employee additions, technology enhancements, and customer acquisitions. **We reiterate our BUY rating on the stock with a revised TP of INR2,000 (premised on 14x Mar'25E EPS).**

Financials and valuation

Income Statement							(INR M)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Total Income	4,433	4,723	4,721	8,971	16,827	22,931	26,226	29,676
Change (%)	37.9	6.5	0.0	90.0	87.6	36.3	14.4	13.2
Gross Brokerage Income	4,785	5,014	5,039	9,065	15,737	20,806	23,924	27,197
Less - Brokerage / direct expenses	2,464	2,420	2,304	3,630	5,502	6,407	7,367	8,375
Net Brokerage Income	2,321	2,595	2,735	5,436	10,235	14,399	16,557	18,822
Interest income	2,038	1,696	1,254	1,998	3,653	5,195	5,711	6,220
Less - Finance costs	947	666	489	389	721	895	831	901
Net Interest income	1,091	1,031	765	1,609	2,932	4,300	4,880	5,319
Other Income	1,021	1,098	1,221	1,927	3,661	4,232	4,789	5,534
Operating Expenses	2,701	3,245	3,142	4,675	8,273	10,705	12,589	14,096
Change (%)	3.9	20.2	-3.2	48.8	76.9	29.4	17.6	12.0
Employee expenses	1,245	1,593	1,598	1,718	2,809	3,979	4,983	5,490
Admin expense	1,456	1,652	1,544	2,957	5,464	6,726	7,606	8,606
Operating Margin	1,732	1,478	1,578	4,296	8,554	12,226	13,638	15,580
Depreciation	145	188	209	184	187	303	355	409
Exception	0	0	166	0	0	0	0	0
Profit Before Tax	1,587	1,290	1,204	4,112	8,367	11,923	13,282	15,171
Change (%)	231.3	-18.7	-6.7	241.6	103.5	42.5	11.4	14.2
Tax	508	448	320	1,131	2,117	3,016	3,321	3,793
Tax Rate (%)	32.0	34.7	26.6	27.5	25.3	25.3	25.0	25.0
PAT	1,079	842	884	2,981	6,251	8,907	9,962	11,378
Change (%)	248.0	-22.0	5.0	237.3	109.7	42.5	11.8	14.2
Dividend	235	234	227	1,056	2,245	3,324	3,785	4,551

Balance Sheet							(INR M)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Equity Share Capital	720	720	720	818	829	834	834	834
Reserves & Surplus	4,029	4,765	5,427	10,492	15,015	20,781	26,958	33,785
Net Worth	4,749	5,485	6,147	11,310	15,844	21,616	27,792	34,619
Borrowings	11,223	8,666	4,880	11,715	12,577	7,872	11,872	12,872
Other Liabilities	7,702	8,018	11,043	25,114	43,777	45,175	53,773	64,728
Total Liabilities	23,674	22,168	22,070	48,138	72,198	74,663	93,437	1,12,219
Cash and Investments	9,330	10,134	14,607	18,830	48,936	56,006	68,650	84,905
Change (%)	39.9	8.6	44.1	28.9	159.9	14.4	22.6	23.7
Loans	11,309	7,617	2,806	11,285	13,575	11,533	13,947	15,190
Change (%)	748.3	-32.6	-63.2	302.2	20.3	-15.0	20.9	8.9
Net Fixed Assets	1,158	1,181	1,104	1,150	1,638	2,482	2,787	3,092
Current Assets	1,877	3,236	3,553	16,873	8,050	4,642	8,053	9,032
Total Assets	23,674	22,168	22,070	48,138	72,199	74,663	93,437	1,12,219

E: MOFSL Estimates

Financials and valuation

Ratios	(%)							
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
As a percentage of Revenues								
Net Brokerage Income	52.3	54.9	57.9	60.6	60.8	62.8	63.1	63.4
Net Interest Income	24.6	21.8	16.2	17.9	17.4	18.8	18.6	17.9
Other Income	23.0	23.2	25.9	21.5	21.8	18.5	18.3	18.6
Total cost	60.9	68.7	66.6	52.1	49.2	46.7	48.0	47.5
Employee Cost	28.1	33.7	33.9	19.2	16.7	17.4	19.0	18.5
Opex (ex emp) Cost	32.8	35.0	32.7	33.0	32.5	29.3	29.0	29.0
PBT	35.8	27.3	25.5	45.8	49.7	52.0	50.6	51.1
PAT	24.3	17.8	18.7	33.2	37.1	38.8	38.0	38.3
Profitability Ratios (%)								
RoE	25.0	16.5	15.2	34.2	46.0	47.6	40.3	36.5
Dividend Payout Ratio	21.8	27.8	25.7	35.4	35.9	37.3	38.0	40.0
Valuations	2018	2019	2020	2021	2022	2023	2024E	2025E
BVPS (INR)	57.3	66.2	74.2	136.5	191.2	260.9	335.4	417.8
Change (%)	22.0	15.5	12.1	84.0	40.1	36.4	28.6	24.6
Price-BV (x)	28.2	24.4	21.8	11.9	8.5	6.2	4.8	3.9
EPS (INR)	13.0	10.2	10.7	36.0	75.4	107.5	120.2	137.3
Change (%)	248.0	-22.0	5.0	237.3	109.7	42.5	11.8	14.2
Price-Earnings (x)	124.2	159.2	151.7	45.0	21.4	15.1	13.5	11.8
DPS (INR)	3.3	3.3	3.2	12.9	27.1	39.9	45.4	54.6
Dividend Yield (%)	0.2	0.2	0.2	0.8	1.7	2.5	2.8	3.4

E: MOFSL Estimates

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