




# Anand Rathi Wealth

Estimate change	
TP change	
Rating change	

**CMP: INR2,147 TP: INR1,700 (-21%) Downgrade to Sell**

Bloomberg	ANANDRAT IN
Equity Shares (m)	166
M.Cap.(INRb)/(USDb)	356.5 / 3.7
52-Week Range (INR)	2215 / 1050
1, 6, 12 Rel. Per (%)	19/42/107
12M Avg Val (INR M)	976

## Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Revenues	11.5	14.0	17.0
Rev Gr. (%)	22.3	21.8	21.5
Opex	6.7	8.9	10.0
PBT	5.4	6.0	7.5
PAT	4.0	4.5	5.5
EPS (INR)	23.9	26.9	33.4
EPS Gr. (%)	32.4	12.5	24.2
BV/Sh. (INR)	60.1	82.0	106.4

## Ratios

EBITDA Margin	41.9	36.5	40.9
PAT margin	34.6	31.9	32.6
RoE	47.5	37.9	35.5
Div. Payout	27.2	27.9	26.9

## Valuations

P/E (x)	89.8	79.8	64.3
P/BV (x)	35.7	26.2	20.2
Div. Yield (%)	0.3	0.3	0.4

## Shareholding Pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	43.1	43.1	47.3
DII	9.1	9.5	7.2
FII	5.8	6.7	4.9
Others	42.0	40.8	40.6

FII includes depository receipts

## In-line PAT excluding one-time impacts

- Anand Rathi Wealth (ARWM) reported revenue from operations of ~INR3.2b in 1QFY27 (in line), growing 18% YoY/12% QoQ, primarily driven by a 19%/16% YoY growth in revenue from the distribution of financial products/MF.
- Operating expenses for 1QFY27 grew 46% YoY to INR2.1b, with employee costs growing 53% YoY to INR1.8b (18% higher than est.) due to a one-time impact of ESOP expenses. Other expenses grew 18% YoY to INR372m. EBITDA came in at INR1.1b (27% miss), declining 15% YoY, with EBITDA margin at 33.7% (vs our estimate of 44.5%) in 1QFY27 (46.6% in 1QFY26).
- For 1QFY27, consolidated PAT stood at INR1.6b (+74% YoY), reflecting a 39% beat. Excluding the one-time impacts of fair value gains on investments, ESOP expenses, and the related combined tax effects, PAT came in at INR1.2b (+24% YoY and in line with our est.).
- The company achieved 24% of FY27 revenue guidance and 25% of FY27 PAT guidance in 1QFY27, with management reiterating confidence in meeting full-year targets. Management indicated that only 1–2bp of TER changes may have been passed on by AMCs. The company's mutual fund distribution market share expanded significantly, with net flow market share increasing to 2.47% in FY26 from 0.18% in FY20.
- We have broadly maintained our earnings estimates for FY27/28, considering the impact of ESOP expenses is offset by fair value gains on investments. We expect AUM/Revenue/PAT to expand at a CAGR of 24%/22%/18%, respectively, over FY26–28E. While the flow momentum is expected to remain stable, the stock is currently trading at an FY28E P/E of 64x, which appears stretched. **Hence, we are downgrading our rating to SELL, with a one-year TP of INR1,700, based on 50x FY28E EPS.**

## Flow momentum declines in 1QFY27

- Total AUM grew 21% YoY/14% QoQ to ~INR1.1b. The share of equity MFs in the overall AUM mix was 52%. Private Wealth/Digital Wealth AUM grew 21%/23% YoY to ~INR1t/INR25.3b, respectively, in 1Q.
- Total quarterly net inflows/equity flows declined 28%/4% YoY to INR27.4b/INR19.0b (the lowest since 2QFY25).
- Monthly SIP flows for Jun'26 increased 25% YoY to INR940m.
- The share of customers with AUM of over INR500m has increased to 30.1% in 1QFY27 from 26.9% in 1QFY26. The company onboarded 546 net new client families in 1Q, taking the total count to 13.9k families.
- Operating expenses for 1QFY27 grew 46% YoY to INR2.1b, with employee costs growing 53% YoY to INR1.8b (18% higher than est.) due to a one-time impact of ESOP expenses. Other expenses grew 18% YoY to INR372m.
- Other income for the quarter came in at INR1.1b vs INR102m in 1QFY26 (our est. of INR190m) due to fair value gains on investments. This resulted in a PBT of INR2.1b (+63% YoY).

Research Analyst: Prayesh Jain (Prayesh.Jain@MotilalOswal.com) | Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Kartikeya Mohata (Kartikeya.Mohata@MotilalOswal.com) | Muskan Chopra (Muskan.Chopra@motilalosal.com)

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

Motilal Oswal research is available on [www.motilalosal.com/Institutional-Equities](http://www.motilalosal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- The company reported one of the lowest client attrition rates in the industry, with only 0.09% of AUM lost in 1QFY27. It also recorded one of the lowest regret RM attrition rates in the industry, with no exits among RMs managing AUM of over INR400m. Additionally, the company has retained about 90% of AUM associated with the RM attrition witnessed in 3QFY26.
- AUM per RM increased to INR2.5b in Jun'26 from INR2.2b in Jun'25, driven by the continued association of RMs with the organization. Additionally, clients per RM improved to 33 from 32 in 1QFY26.
- The digital wealth business client count increased 23% YoY, reaching 7,320 in 1QFY27 vs 6,284 in 1QFY26.

### Highlights from the management commentary

- The company has commenced operations in the UK, with business traction expected to build over the coming quarters. It has also applied for a GIFT City license to expand its international offerings and plans to apply for an AMC license soon.
- The company achieved 24% of FY27 revenue guidance and 25% of FY27 PAT guidance in 1QFY27, with management reiterating confidence in meeting full-year targets. The three RMs who exited in 3QFY26 managed INR7.58b of AUM, of which the company successfully retained INR6.58b, implying an industry-leading AUM retention rate of ~90%.
- Management indicated that only 1–2bp of TER changes may have been passed on by AMCs. The company's mutual fund distribution market share has expanded significantly, with net flow market share increasing to 2.47% in FY26 from 0.18% in FY20.

### Valuation and view

- ARWM is one of the few companies in the listed space that has consistently met its stated guidance. For FY27, management has guided for revenue/PAT of INR14.2b/INR4.6b vs. our estimates of INR14.1b/INR4.6b.
- We have broadly maintained our earnings estimates for FY27/28, considering the impact of ESOP expenses is offset by fair value gains on investments. We expect AUM/Revenue/PAT to expand at a CAGR of 24%/22%/18%, respectively, over FY26-28E. While the flow momentum is expected to remain stable, the stock is currently trading at a FY28E P/E of 64x, which appears stretched. **Hence, we are downgrading our rating to SELL, with a one-year TP of INR1,700, based on 50x FY28E EPS.**

Quarterly Performance													(INR m)		
Y/E March	FY26				FY27				FY26	FY27E	1Q FY27E	Act. Vs Est. (%)	YoY	QoQ	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE							
<b>Revenue from Operations</b>	<b>2,740</b>	<b>2,974</b>	<b>2,896</b>	<b>2,878</b>	<b>3,220</b>	<b>3,608</b>	<b>3,564</b>	<b>3,604</b>	<b>11,488</b>	<b>13,994</b>	<b>3,368</b>	-4	17.5	11.9	
Change YoY (%)	15.3	22.7	22.2	29.7	17.5	21.3	23.1	25.2	22.3	21.8	22.9				
Operating Expenses	1,462	1,599	1,582	2,030	2,133	2,224	2,245	2,280	6,673	8,883	1,870	14	45.9	5.1	
Change YoY (%)	4.9	15.6	21.7	54.8	45.9	39.1	41.9	12.3	24	33	28				
<b>EBIDTA</b>	<b>1,278</b>	<b>1,375</b>	<b>1,314</b>	<b>848</b>	<b>1,087</b>	<b>1,383</b>	<b>1,319</b>	<b>1,323</b>	<b>4,815</b>	<b>5,111</b>	<b>1,498</b>	-27	-15.0	28.1	
Depreciation	77	83	86	95	91	100	102	115	341	408	98	-7	19.2	-3.9	
Finance Cost	40	48	36	34	36	43	46	48	158	174	40	-10	-10.4	5.3	
Other Income	102	97	161	684	1,103	120	130	147	1,043	1,500	190	480	976.5	61.2	
<b>PBT</b>	<b>1,263</b>	<b>1,340</b>	<b>1,353</b>	<b>1,403</b>	<b>2,062</b>	<b>1,360</b>	<b>1,300</b>	<b>1,308</b>	<b>5,358</b>	<b>6,029</b>	<b>1,550</b>	33	63.2	47.0	
Change YoY (%)	27.6	31.2	30.1	41.0	63.2	1.5	-3.9	-6.8	32	13	23				
Tax Provisions	324	342	352	368	432	347	335	327	1,387	1,560	380	14	33.1	17.3	
<b>Net Profit</b>	<b>939</b>	<b>998</b>	<b>1,001</b>	<b>1,034</b>	<b>1,630</b>	<b>1,013</b>	<b>965</b>	<b>981</b>	<b>3,971</b>	<b>4,469</b>	<b>1,171</b>	39	73.6	57.6	
Change YoY (%)	27.9	30.9	29.7	40.3	73.6	1.5	-3.6	-5.2	32	13	25				
<b>Profit from disc. operations</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
<b>Net Profit</b>	<b>939</b>	<b>999</b>	<b>1,002</b>	<b>1,034</b>	<b>1,630</b>	<b>1,014</b>	<b>966</b>	<b>981</b>	<b>3,971</b>	<b>4,469</b>	<b>1,171</b>	39	73.6	57.6	
<b>Key Operating Parameters (%)</b>															
EBIDTA Margin	46.6	46.2	45.4	29.5	33.7	38.4	37.0	36.7	41.9	36.5	44.5	-1074 bp	-1288 bp	428 bp	
Cost to Income Ratio	53.4	53.8	54.6	70.5	66.3	61.6	63.0	63.3	58.1	63.5	55.5	1074 bp	1288 bp	-428 bp	
PBT Margin	46.1	45.1	46.7	48.7	64.0	37.7	36.5	36.3	46.6	43.1	46.0	1801 bp	1793 bp	1531 bp	
Tax Rate	25.7	25.5	26.0	26.2	20.9	25.5	25.8	25.0	25.9	25.9	24.5	-355 bp	-473 bp	-530 bp	
PAT Margins	34.3	33.6	34.6	35.9	50.6	28.1	27.1	27.2	34.6	31.9	34.8	1587 bp	1636 bp	1468 bp	

**Changes to our estimates**

INR b	New Estimates		Old Estimates		Change in Estimates	
	2027E	2028E	2027E	2028E	2027E	2028E
<b>Y/E March</b>						
Revenues	14.0	17.0	14.0	17.0	0%	0%
Rev Gr. (%)	21.8	21.5	21.9	21.5		
Opex	8.9	10.0	8.1	9.7	10%	4%
PBT	6.0	7.5	6.1	7.5	-1%	0%
PAT	4.5	5.5	4.5	5.6	-1%	0%
EPS (INR)	26.9	33.4	27.3	33.5	-1.3%	-0.4%
EPS Gr. (%)	12.5	24.2	14.0	23.0		
BV/Sh. (INR)	82.0	106.4	82.4	106.9	0%	0%
<b>Ratios (%)</b>						
EBIDTA Margin	36.5	40.9	42.2	43.1	-563 bp	-214 bp
PAT margin	31.9	32.6	32.4	32.7	-42 bp	-12 bp
RoE	37.9	35.5	38.3	35.4	-42 bp	2 bp
Div. Payout	27.9	26.9	27.5	26.8	38 bp	11 bp
<b>Valuations</b>						
P/E (x)	79.8	64.3	77.6	63.1		
P/BV (x)	26.2	20.2	25.7	19.8		
Div. Yield (%)	0.3	0.4	0.4	0.4		



## Highlights from the management commentary

### Performance

- Net equity mutual fund sales stood at INR19b in 1QFY27.
- Client attrition remained exceptionally low at 0.09% in 1QFY27, reflecting strong client stickiness.
- Digital Wealth business continued to scale, with AUM growing 23% YoY and the client base increasing 16% YoY to 7,320.
- OFA business expanded to 6,890 subscribers, with platform assets reaching INR1.66t.
- The company commenced operations in the UK, with business traction expected over the coming quarters. It has also applied for a GIFT City license to expand its international offerings.
- The company achieved 24% of FY27 revenue guidance and 25% of FY27 PAT guidance in 1QFY27, with management reiterating confidence in meeting full-year targets.
- Other income of INR1.1b primarily comprised MTM gains of INR960m on the holding in Anand Rathi Global Finance Ltd., with the balance representing investment income. The valuation of this holding is reassessed every six months, with changes routed through the P&L.
- Management continues to expect 10–12% AUM growth from market appreciation and 10–12% from net inflows, supporting an overall ~25% AUM growth trajectory.

### Structured Products

- The platform currently offers 20 structured product variants. A larger share of the portfolio comprises products originated by Anand Rathi Global Finance compared to third-party issuances.
- Structured products are used to reduce portfolio beta and provide downside protection.
- The company maintains a disciplined approach towards concentration risk, retaining control over lending exposure to individual corporates and following a conservative risk framework.

### Wealth Management

- Clients are segmented into Gold and Platinum categories, with 15–20 client families upgraded to Platinum each quarter. The Platinum segment has expanded to ~230 families, compared to 40–45 families at the time of launch.
- Management does not maintain a cap on AUM per RM. At the time of listing, productivity was approximately INR1b per RM; both RM productivity and AUM per RM have increased materially since then, with several RMs now managing over INR10b of client assets.
- Portfolio allocation follows a disciplined risk framework based on portfolio beta, with the highest portfolio beta maintained at 0.60–0.65. Management continues to maintain a conservative equity allocation and a relatively low-beta portfolio.

### **RM**

- During 3QFY26, three RMs exited the organization.
- The departing RMs managed INR7.58b of AUM, of which the company successfully retained INR6.58b, implying an industry-leading ~90% AUM retention.

### **AMC**

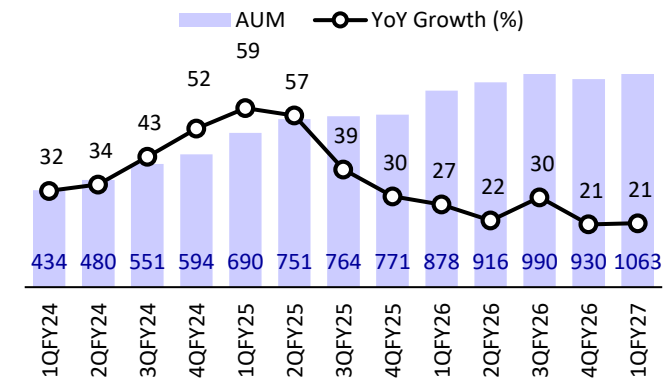
- The Board has approved the application for an AMC license, with the company working toward building the required capabilities.
- The long-term strategy remains focused on inter-generational wealth creation rather than expanding into investment banking-led capital market businesses.

### **Regulations**

- While TER revisions typically involve some negotiation between AMCs and distributors, ARWM's scale as one of the largest distributors limits the extent of pass-through.
- Management indicated that only 1–2bp of TER changes may have been passed on by AMCs. The company's mutual fund distribution market share has expanded significantly, with net flow market share increasing to 2.47% in FY26 from 0.18% in FY20.
- Management believes the recent regulatory measures could moderate HFT-driven trading activity and reduce excessive market volatility, particularly around expiry days. The regulations are expected to create a more balanced market structure, ultimately benefiting long-term retail and wealthy investors.

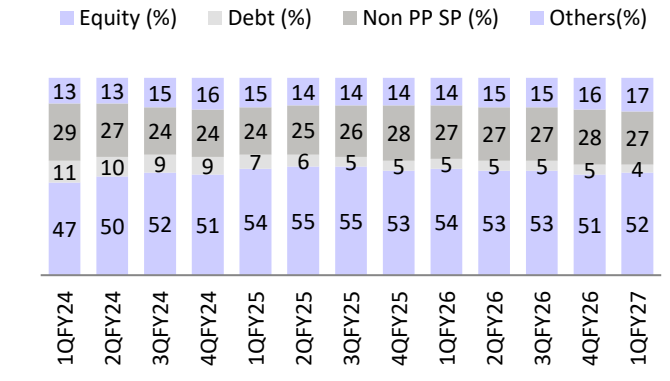
## Key exhibits

**Exhibit 1: Total AUM grew 21% YoY in 1QFY27**



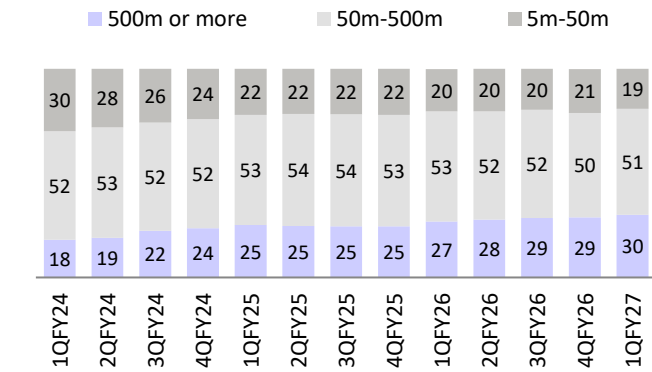
Source: MOFSL, Company

**Exhibit 2: Share of equity AUM rose to 52%**



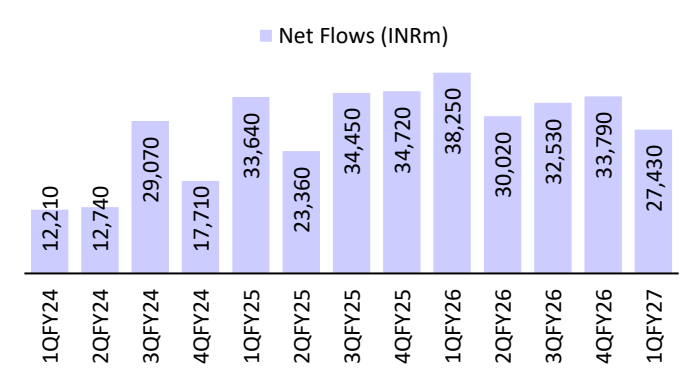
Source: MOFSL, Company

**Exhibit 3: AUM cohort-wise mix saw a sequential improvement in the higher ticket size category**



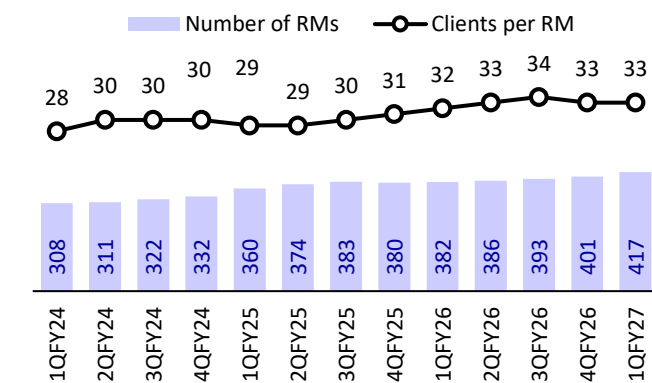
Source: MOFSL, Company

**Exhibit 4: Net flows declined sequentially in 1QFY27, marking the lowest level since 2QFY25**



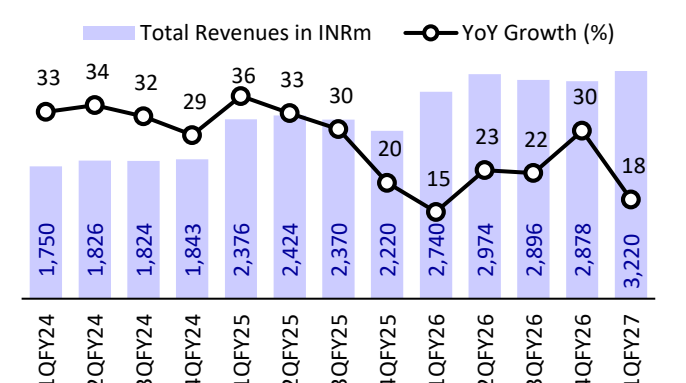
Source: MOFSL, Company

**Exhibit 5: RM additions and client productivity per RM**



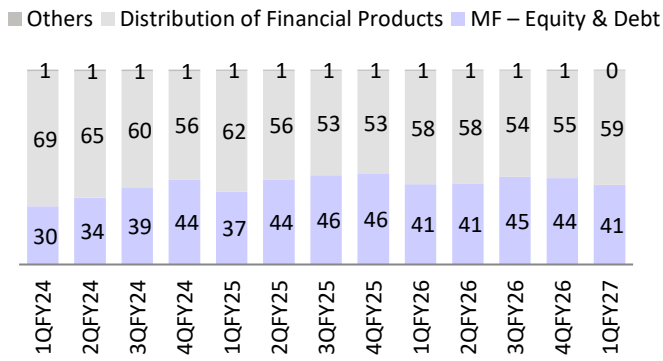
Source: MOFSL, Company

**Exhibit 6: Revenue grew 18% YoY in 1QFY27**



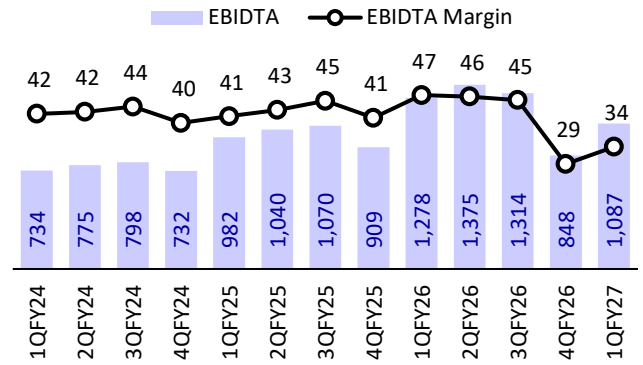
Source: MOFSL, Company

**Exhibit 7: Distribution contribution rose in 1QFY27**



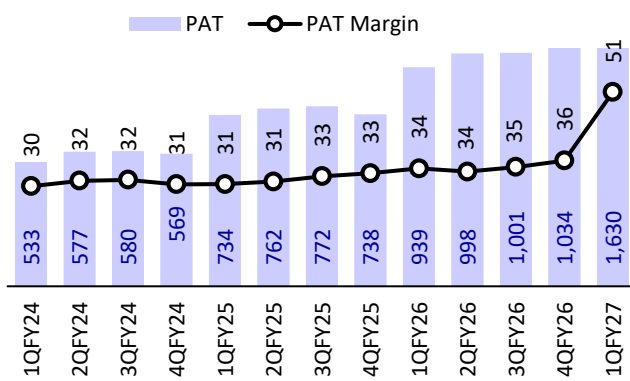
Source: MOFSL, Company

**Exhibit 8: EBITDA impacted by one-time ESOP expenses**



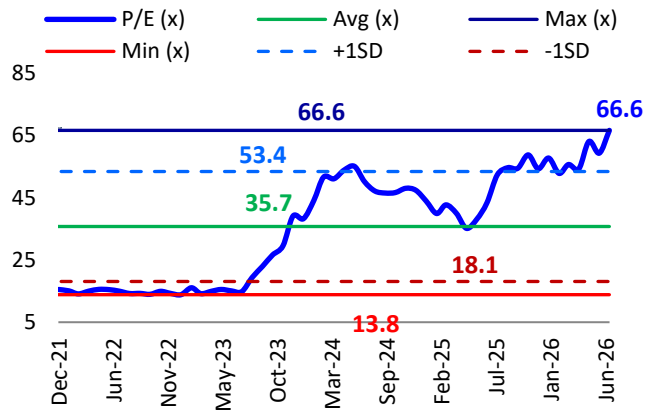
Source: MOFSL, Company

**Exhibit 9: PAT jump in 1Q due to a one-time other income**



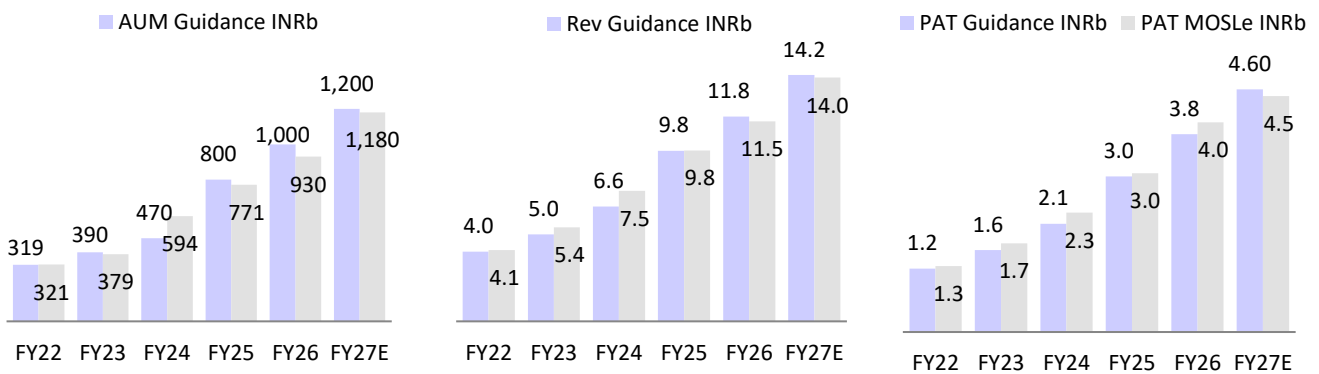
Source: MOFSL, Company

**Exhibit 10: One-year forward P/E chart**



Source: MOFSL, Company

**Exhibit 11: FY27 AUM, revenue, and PAT – ARWL guidance vs. MOFSL estimates**



Source: MOFSL, Company

## Financials and valuations

								(INRm)	
<b>Income Statement</b>									
Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Mutual Fund Distribution Income	3,273	2,604	4,127	5,438	7,187	9,328	11,423	13,919	16,920
Other Operating income	46	45	48	48	56	63	65	75	86
<b>Revenue From Operations</b>	<b>3,318</b>	<b>2,653</b>	<b>4,175</b>	<b>5,486</b>	<b>7,243</b>	<b>9,391</b>	<b>11,488</b>	<b>13,994</b>	<b>17,006</b>
Change (%)	20.0	-20.0	57.3	31.4	32.0	29.7	22.3	21.8	21.5
Employee benefits expense	1,666	1,508	1,920	2,418	3,222	4,199	5,299	7,261	8,132
Other expenses	585	447	482	681	983	1,190	1,374	1,622	1,914
<b>Operating Expenses</b>	<b>2,251</b>	<b>1,955</b>	<b>2,403</b>	<b>3,099</b>	<b>4,205</b>	<b>5,389</b>	<b>6,673</b>	<b>8,883</b>	<b>10,046</b>
Change (%)	26.0	-13.2	22.9	29.0	35.7	28.1	23.8	33.1	13.1
<b>Operating Profit</b>	<b>1,067</b>	<b>699</b>	<b>1,772</b>	<b>2,387</b>	<b>3,038</b>	<b>4,002</b>	<b>4,815</b>	<b>5,111</b>	<b>6,960</b>
Other Income	46	139	77	103	276	416	1,043	1,500	1,200
Depreciation	210	173	157	166	194	255	341	408	484
Finance Cost	33	29	20	39	65	115	158	174	191
Exceptional items									
<b>Profit Before Tax</b>	<b>870</b>	<b>636</b>	<b>1,673</b>	<b>2,285</b>	<b>3,056</b>	<b>4,048</b>	<b>5,358</b>	<b>6,029</b>	<b>7,486</b>
Change (%)	5	-27	163	37	34	32	32	13	24
Tax	253	185	408	597	798	1,040	1,387	1,560	1,937
Tax Rate (%)	29.1	29.1	24.4	26.1	26.1	25.7	25.9	25.9	25.9
<b>PAT</b>	<b>617</b>	<b>451</b>	<b>1,265</b>	<b>1,688</b>	<b>2,258</b>	<b>3,008</b>	<b>3,971</b>	<b>4,469</b>	<b>5,548</b>
Change (%)	5.5	-26.8	180.4	33.4	33.8	33.2	32.0	12.5	24.2
Dividend	-	138	458	499	586	872	1,079	1,245	1,494
<b>Balance Sheet</b>			31%	30.6%	30.0%	32.7%			
Y/E March	2020	2021	2022	2023	2024	2025E	2026	2027E	2028E
Equity Share Capital	135	138	208	208	209	415	415	830	830
Reserves & Surplus	1,720	2,275	3,229	4,474	6,279	6,325	9,566	12,790	16,843
<b>Net Worth</b>	<b>1,855</b>	<b>2,413</b>	<b>3,437</b>	<b>4,682</b>	<b>6,489</b>	<b>6,740</b>	<b>9,982</b>	<b>13,620</b>	<b>17,674</b>
<b>NCI</b>	<b>116</b>	<b>116</b>	<b>117</b>	<b>119</b>	<b>127</b>	<b>137</b>	<b>137</b>	<b>137</b>	<b>137</b>
Borrowings	499	313	392	367	517	793	835	914	1,002
Other Liabilities	1,620	552	856	1,072	1,665	1,944	2,334	2,232	2,359
<b>Total Liabilities</b>	<b>4,090</b>	<b>3,395</b>	<b>4,802</b>	<b>6,240</b>	<b>8,797</b>	<b>9,614</b>	<b>13,288</b>	<b>16,904</b>	<b>21,172</b>
Cash and Investments	1,313	1,699	1,906	1,710	1,454	2,878	5,058	5,994	6,694
Change (%)	51.7	29.4	12.2	-10.3	-15.0	97.9	75.7	18.5	11.7
Loans	649	-	-	-	-	-	-	-	-
Net Fixed Assets	1,396	1,235	1,240	1,361	1,532	1,879	1,910	2,388	2,985
Non current assets	175	199	515	347	64	97	184	240	312
Current Assets	556	261	1,141	2,823	5,748	4,759	6,135	8,282	11,181
<b>Total Assets</b>	<b>4,090</b>	<b>3,395</b>	<b>4,802</b>	<b>6,240</b>	<b>8,797</b>	<b>9,614</b>	<b>13,288</b>	<b>16,904</b>	<b>21,172</b>

E: MOFSL Estimates

## Financials and valuations

### Cashflow Statement

Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
<b>Cashflow from operations</b>	<b>1,425</b>	<b>-227</b>	<b>802</b>	<b>341</b>	<b>-37</b>	<b>4,307</b>	<b>2,671</b>	<b>1,645</b>	<b>2,512</b>
PBT	870	636	1,673	2,285	3,056	4,048	5,358	6,029	7,486
Depreciation and amortization	210	173	157	166	194	255	341	408	484
Tax Paid	-253	-185	-408	-597	-798	-1,040	-1,387	-1,560	-1,937
Interest, dividend income (post-tax)	-33	-99	-58	-76	-204	-309	-773	-1,112	-889
Interest expense (post-tax)	23	20	15	29	48	86	117	129	142
Working capital	608	-773	-576	-1,466	-2,332	1,268	-986	-2,249	-2,772
<b>Cash from investments</b>	<b>-1,212</b>	<b>711</b>	<b>-418</b>	<b>-43</b>	<b>123</b>	<b>-327</b>	<b>313</b>	<b>171</b>	<b>-263</b>
Capex	-794	-12	-161	-287	-364	-602	-372	-886	-1,081
Interest, dividend income (post-tax)	33	99	58	76	204	309	773	1,112	889
Others	-450	625	-316	169	283	-33	-88	-55	-72
<b>Cash from financing</b>	<b>234</b>	<b>-99</b>	<b>-177</b>	<b>-494</b>	<b>-342</b>	<b>-2,556</b>	<b>-805</b>	<b>-879</b>	<b>-1,549</b>
Equity	1	2	71	-	1	206	-	415	-
Debt	268	-185	79	-25	149	277	41	80	87
Interest costs	-23	-20	-15	-29	-48	-86	-117	-129	-142
Dividends Paid	-	-138	-458	-499	-586	-872	-1,079	-1,245	-1,494
Others	-11	242	147	59	141	-2,081	350	-	-
Change of cash	448	386	207	-196	-256	1,425	2,179	936	700
Opening Cash	866	1,313	1,699	1,906	1,710	1,454	2,878	5,058	5,994
Closing Cash	1,313	1,699	1,906	1,710	1,454	2,878	5,058	5,994	6,694

### Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
As a percentage of Revenues									
MF revenues	30.0	34.0	36.9	34.6	36.8	43.3	43.0	41.6	41.0
Other products	70.0	66.0	63.1	65.4	63.2	56.7	57.0	58.4	59.0
<b>Total cost</b>									
Employee Cost	50.2	56.8	46.0	44.1	44.5	44.7	46.1	51.9	47.8
Other Opex Cost	17.6	16.9	11.5	12.4	13.6	12.7	12.0	11.6	11.3
<b>PBT</b>	<b>26.2</b>	<b>24.0</b>	<b>40.1</b>	<b>41.6</b>	<b>42.2</b>	<b>43.1</b>	<b>46.6</b>	<b>43.1</b>	<b>44.0</b>
<b>PAT</b>	<b>18.6</b>	<b>17.0</b>	<b>30.3</b>	<b>30.8</b>	<b>31.2</b>	<b>32.0</b>	<b>34.6</b>	<b>31.9</b>	<b>32.6</b>
<b>Profitability Ratios (%)</b>									
RoE	39.8	21.1	43.3	41.6	40.4	45.5	47.5	37.9	35.5
Dividend Payout Ratio									

Valuations	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
BVPS (INR)	11.2	14.5	20.7	28.2	39.1	40.6	60.1	82.0	106.4
Price-BV (x)	192.2	147.7	103.7	76.1	54.9	52.9	35.7	26.2	20.2
EPS basic (INR)	5.7	4.1	7.6	10.1	13.5	18.1	23.9	26.9	33.4
Change (%)	-48.3	-27.3	84.5	32.7	33.7	33.6	32.4	12.5	24.2
Price-Earnings (x)	377.7	519.5	281.6	212.3	158.7	118.8	89.8	79.8	64.3
DPS (INR)	-	1.3	2.8	3.0	3.5	5.3	6.5	7.5	9.0
Dividend Yield (%)		0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.4

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

## NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

**Disclosures**

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on [www.motilaloswal.com](http://www.motilaloswal.com) > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

**Regional Disclosures (outside India)**

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

**For Hong Kong:**

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

**For U.S.**

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

**For Singapore**

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

**Specific Disclosures**

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
  - actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
  - received compensation/other benefits from the subject company in the past 12 months
  - any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
  - acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
  - be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
  - received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
  - Served subject company as its clients during twelve months preceding the date of distribution of the research report.
- The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
- Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Terms & Conditions:**

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

**Disclaimer:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

**Grievance Redressal Cell:**

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.