

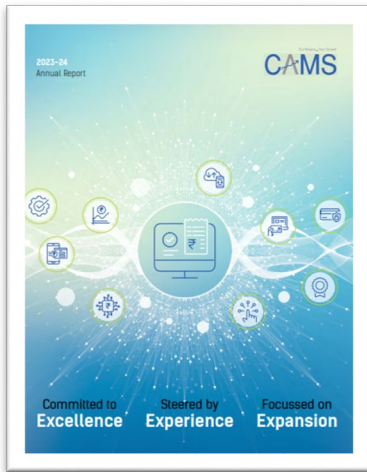
BSE SENSEX  
77,341

S&P CNX  
23,538

**CMP: INR3,656**

**TP: INR4,200 (+15%)**

**Buy**



#### Stock Info

Bloomberg	CAMS IN
Equity Shares (m)	49
M.Cap.(INRb)/(USD b)	179.9 / 2.2
52-Week Range (INR)	3686 / 2132
1, 6, 12 Rel. Per (%)	4/26/43
12M Avg Val (INR M)	955
Free float (%)	100.0

#### Financials Snapshot (INR b)

Y/E March	2024	2025E	2026E
AAUM	33.4	39.5	45.9
Revenue	11.4	13.3	15.3
EBITDA	5.0	6.2	7.3
EBITDA Margin (%)	44.4	46.7	47.9
PAT	3.5	4.4	5.2
PAT Margin (%)	31	33	34
EPS	71.6	89.2	107.0
EPS Grw. (%)	23.3	24.6	19.9
BVPS	186.9	217.9	255.3
RoE (%)	41.3	44.1	45.2
Div. Payout (%)	58.8	65.0	65.0

#### Valuations

P/E (x)	51.1	41.0	34.2
P/BV (x)	19.6	16.8	14.3
Div. Yield (%)	1.2	1.6	1.9

#### Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	0.0	0.0	19.9
DII	19.9	23.1	12.9
FII	53.8	47.7	35.0
Others	26.3	29.2	32.2

FII Includes depository receipts

## Ready to seize future opportunities

CAMS in its FY24 annual report highlighted the use of innovative technologies to make its business processes seamless and deliver the best-in-class customer service in its mutual fund (MF) business, as well as non-MF businesses.

### MF business (87% of revenues)

- In FY24, CAMS won all three new AMC mandates: Angel One, Torus Oro and Unifi Capital. It continues to be the partner of choice for 10 of the 15 largest MFs (based on AAUM).
- During the year, many NFOs were launched across CAMS-serviced funds including (162 schemes) and new MF folios touched 24m. CAMS has a 62% market share in new SIP registrations.
- CAMSPay crossed 1.4m UPI auto pay mandate registrations per month and is now a preferred payments partner. It recently launched the industry's first Daily SIP, offering unparalleled flexibility in investment opportunities. It holds a more than 50% market share in the MF ecosystem.
- **MF Central** delivered over 0.13m CAS requests per day and now provides users with consolidated capital gain statement download feature.
- CAMS MF AUM stood at INR34.3t in FY24, up 33% YoY, with a 68% market share. Equity AUM stood at INR19.3t, up 49.4% YoY, outpacing the industry and capturing an additional market share.

### Non-MF businesses (13% of revenues)

- **AIF/PMS:** CAMS is the first RTA in GIFT City to set up full-stack operations for AIFs. It added 32 new mandates in FY24, including four in GIFT City.
- **Account Aggregation:** CAMS has collaborated with Microsoft India to steer digital transformation in credit lending, investment advisory, and personal finance management.
- **Insurance Repository:** CAMS is building India's first insurance portfolio management platform, Bima Central, for providing policy holder services, renewal reminders, policy downloads and several other compelling features. It has a 40% market share in this segment (based on the number of policies).
- **Others:** CAMS has made a strategic investment in Fintuple Technologies, which functions as an API-enabled gateway, connecting digitally savvy consumers to digitally enabled manufacturers and providers.
- The share of non-MF revenue grew 250bp YoY to 13.5% in FY24.

### Strong financial performance with 110bp EBIDTA margin gain

- In FY24, revenue/PAT grew 17%/23% to INR11.4b/INR3.5b. EBIDTA rose 20% YoY to INR5b. EBIDTA margins stood at 44.4% vs. 43.3% in FY23. PAT margin grew to 30.9% vs. 29.3% in FY23. ROE improved to 41.3% vs. 39.8% in FY23.
- **Valuation:** While MF business will continue to see tailwinds from rising SIP investments, non-MF segments will gain scale on the back of investments made over the past couple of years. Revenue/EBIDTA/PAT are expected to witness a CAGR of 15%/19%/20% over FY24-26. We maintain our BUY rating with a TP of INR4,200, based on 40x on FY26E EPS.

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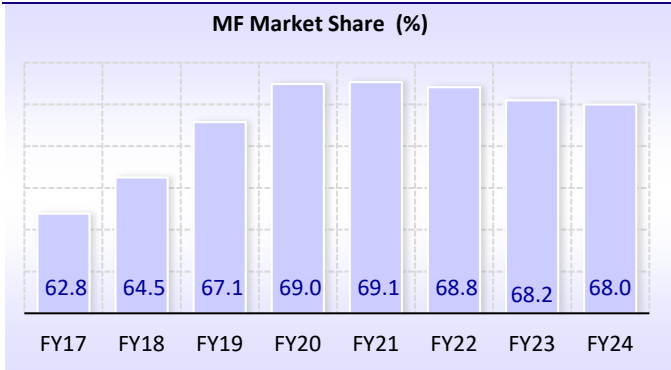
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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

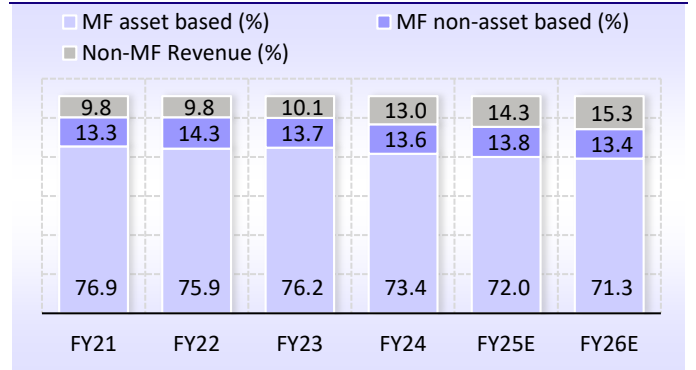
**STORY IN CHARTS**

**Exhibit 1: Commands leadership in MF RTA industry**



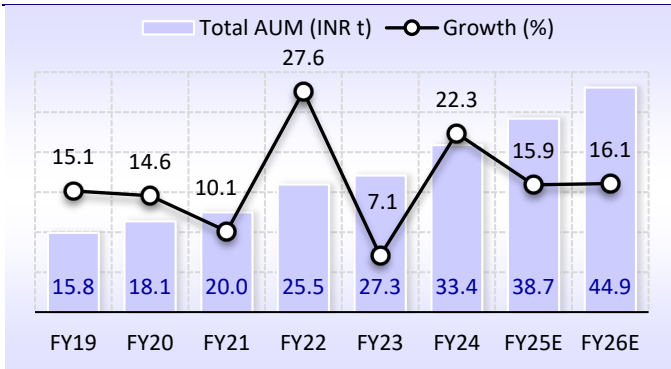
Source: MOFSL, Company

**Exhibit 2: MF revenue constitutes 87% of the total pie**



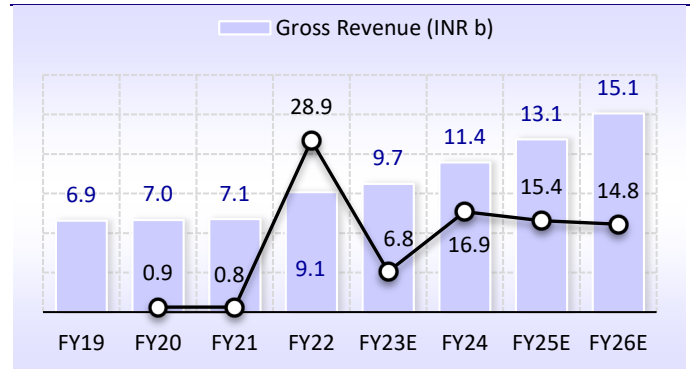
Source: MOFSL, Company

**Exhibit 3: CAMS AUM growth**



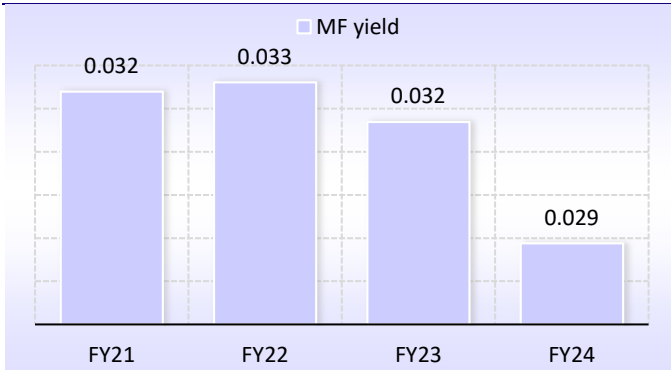
Source: MOFSL, Company

**Exhibit 4: Continuous growth in gross revenue**



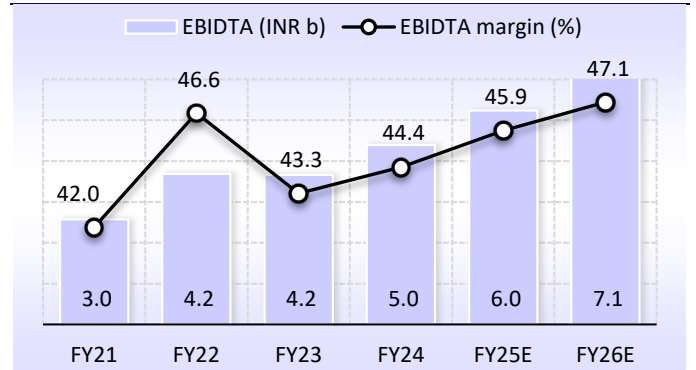
Source: MOFSL, Company

**Exhibit 5: MF income as % of overall AUM**



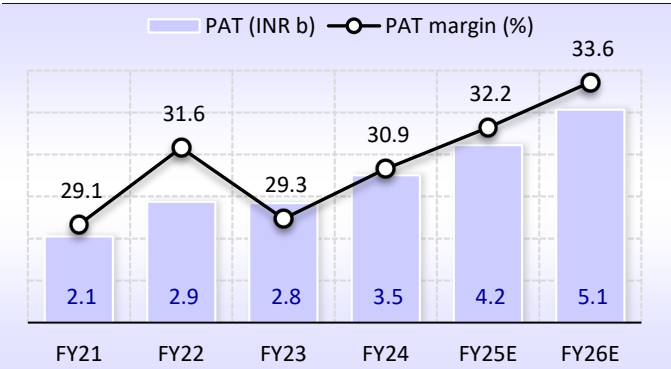
Source: MOFSL, Company

**Exhibit 6: Trends in EBIDTA and EBIDTA margins**



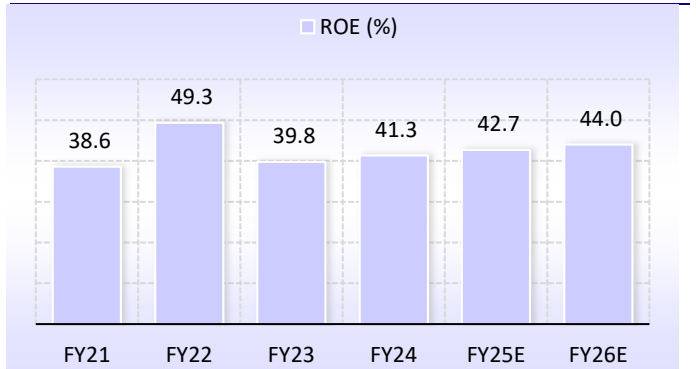
Source: MOFSL, Company

**Exhibit 7: PAT and PAT margins continue to trend upward**



Source: MOFSL, Company

**Exhibit 8: Return ratio above 40% over the long run**



Source: MOFSL, Company

## Future-Ready Strategy

Strategic priorities	Key actions taken in FY24	Priorities for FY25
<b>Consolidate core MF RTA business</b>	<ul style="list-style-type: none"> <li>❖ During the year, CAMS won mandates of five new AMCs, which have commenced or in the process of commencing their operations.</li> <li>❖ There has been a substantial increase in the business volumes of MFs, which have been fully supported by the company as RTA.</li> </ul>	<ul style="list-style-type: none"> <li>❖ The focus will be on bringing in superior technology features, which will enable seamless investment experience for the investor and the distributor.</li> <li>❖ Retaining market leadership position and increasing the share in the RTA market, which is at present around 68%.</li> </ul>
<b>Build new business of AIF, NPS, CAMSPay</b>	<ul style="list-style-type: none"> <li>❖ The company has commenced operations at the newly established facility in GIFT City. It has enhanced its service offerings with the introduction of MultiFonds (global fund administration platform).</li> </ul>	<ul style="list-style-type: none"> <li>❖ The scope of GIFT City's offering extends beyond AIFs to new industries like insurance and pension and administration for overseas funds.</li> </ul> <p><b>FY25 - New initiatives are being planned in the payments business.</b></p> <ul style="list-style-type: none"> <li>❖ To launch and scale up BBPS for MFs and enable cross-border payment service</li> <li>❖ To enable affordability options like EMI &amp; BNPL</li> <li>❖ To enable a new variant of UPI - Tap &amp; Pay and digital wallets; Investor education will also in focus</li> </ul>
<b>Invest in reinforcing technology edge</b>	<ul style="list-style-type: none"> <li>❖ CAMS continues to invest aggressively in technology and products to improve its operational performance and provide a superior experience to clients, investors, and distributors.</li> <li>❖ It has been investing in cyber security features and has implemented the Cloud Security Posture Management and Cloud Workload Protection Platform solutions to continuously assess the security posture of the cloud-native services and the related Infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>❖ CAMS plans to revamp the existing digital properties, which will enable better investor experience and enhance security features.</li> <li>❖ An overall revamp of the core MF platform is planned.</li> </ul>

## Snapshot of key events in FY24

### Apr'23

- The company witnessed huge traction from over 75 AIFs and PMS houses for its digital onboarding solution with more than 20% of Alternatives' customers being on-boarded using the digital solution.
- CAMS WealthServ is an intuitive digital interface that enables the 'first-time-right' investor application process. From onboarding to account activation, the process is done on the app within a few hours. It is integrated with payment gateway, providing multiple payment modes, including cash and securities to facilitate STP, partial STP, and lump sum transactions.

### Jul'23

- CAMS launched an industry-first AI-embedded KYC solution to onboard customers instantly. The solution will vastly improve new customer onboarding and offer enhanced data security measures with best-in-class industry certifications, BCMS, SAFE and advanced BitSight. It registered nearly 1m KYCs for MFs and stockbrokers since its launch.

### Aug'23

- CAMSfinserv, one of the first RBI-licensed account aggregator in India, has announced the onboarding all 17 AMCs serviced by CAMS as financial information providers (FIPs) on its AA platform, making it the first in the industry to provide access to mutual fund data.
- Through CAMSfinserv, customers will be able to access and share both their mutual fund holdings and bank account transactions from a single and secure platform, track their investments, identify areas where they can save and make better financial decisions in a more convenient and hassle-free way. AMCs will be able to attract and retain customers by simplifying the access and management of their financial data, improving risk management, ensuring compliance, personalizing financial offerings, and improving or innovating existing operational processes.

### Feb'24

- The company expanded its AI-powered customer onboarding solutions to the insurance sector by securing a major mandate from Oriental Insurance Company Limited (OICL). This mandate marks one of the largest KYC contracts for CAMS Rep and signifies its strong entry into the non-life insurance sector.
- CAMS made a majority investment in Think360 in Apr'23, which covers the entire online KYC journey for both retail and corporate customers, ensuring a smooth and secure onboarding experience across all of OICL's distribution channels.

### Mar'24

- CAMS opened an office in GIFT City. The new office will enhance the scope to go beyond AIFs to new industries like insurance and pension and administration for overseas funds. The company has won its first-ever overseas fund administration mandate from a UAE-based fund.

## MF business driving structural growth

### MF business accounts for ~87% of total revenue

- CAMS's distinct focus on MF RTA business has helped it establish a leadership position in this segment with a market share of 68% (based on AAUM) and serve as a partner of choice to India's largest MF companies for driving operational excellence.
- About 87% of the company's total revenue comes from MF business, while the remaining 13% is contributed by non-MF businesses such as AIF/PMS RTA, Insurance Repository, CAMSPay, Account Aggregator, and CRA for NPS.
- In its core MF business, CAMS has established clear leadership, with difficult to replicate systems, processes, and technology infrastructure.

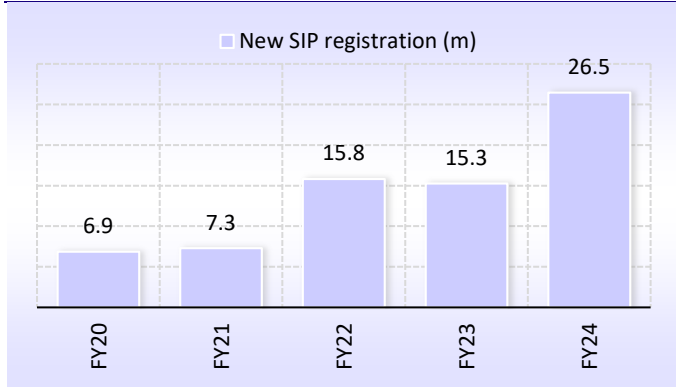
### Key highlights from CAMS MF business:

- CAMS continues to be India's largest registrar and transfer agent (RTA) of MFs and also the partner of choice for 10 of the 15 largest MFs (based on AAUM).
- There has been a spate of NFOs launched during 2024 (162 schemes) across CAMS-serviced funds. New MF folios touched 24m in FY24.
- CAMS has a 62% market share in new SIP registrations.
- In FY24, CAMSPay, in collaboration with the mutual fund ecosystem, has launched the industry's first Daily SIP, offering unparalleled flexibility in investment opportunities. It has a more than 50% market share in the MF ecosystem.

### Value-added initiatives facilitating growth in MF business

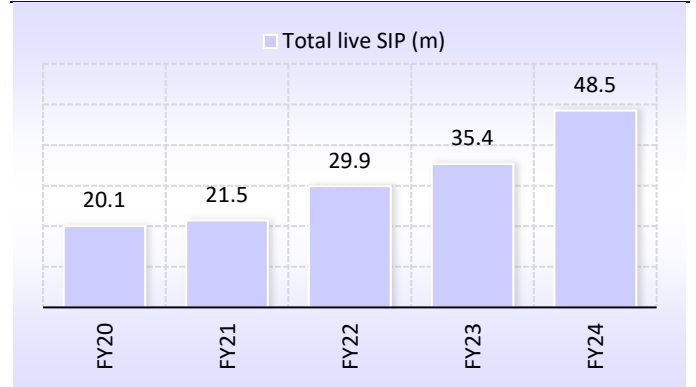
- **MF Central** is aimed at enhancing customer service within the MF segment. In FY24, MF Central delivered over 0.13m CAS requests per day and now provides users with consolidated capital gain statement download feature.
- **edge360** is a mobile and web-based platform that helps distributors and advisors to streamline MF operations. In FY24, 76,000 new registrations were done (up 18% YoY).
- **GoCORP** is a market-leading platform for institutional investors, facilitating a single gateway to transact across multiple participating MF. In FY24, it serviced INR2.1t of institutional assets vs. INR2.2t in FY23 (i.e., 16.4% of total CAMS-serviced fund's Institutional assets in FY24 vs. 18.8% in FY23).
- CAMS enables **digiLoan**, whereby a loan can be seamlessly and digitally availed against MF units. DigiLoan empowers customers of over 25 banks and NBFCs to get a loan by pledging their debt and/or equity mutual funds in a completely paperless, digital process.
- **myCAMS** is a B2C mobile application enables retail mutual fund investors to manage their portfolios and transact across CAMS-serviced mutual funds. With over 6.6m registered users (vs. 5.8m in FY23), myCAMS remains the largest mobile app in the mutual fund sector and ranks among the top 4 fintech apps.

**Exhibit 9: Growth in new SIP**



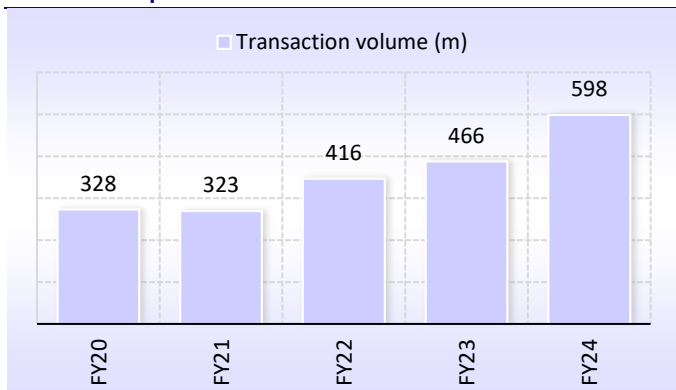
Source: MOFSL, Company

**Exhibit 10: Growth in total live SIP**



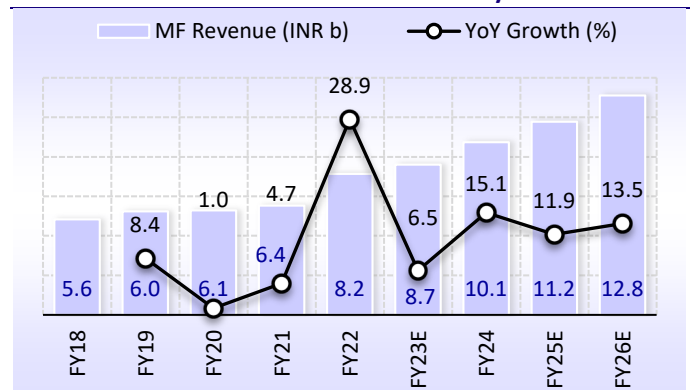
Source: MOFSL, Company

**Exhibit 11: Uptick in transaction volume**



Source: MOFSL, Company

**Exhibit 12: Growth in MF revenue over the years**



Source: MOFSL, Company

## Gaining traction in non-MF businesses

### AIF & PMS business

- CAMS is the first RTA in GIFT City to set up full-stack operations for AIFs. It has served more than 17 fund houses (450+ schemes) with AUM of INR2.2t. It added 32 new mandates during the year, including four in GIFT City.
- In order to strengthen competencies in this space, CAMS has made a strategic investment in Fintuple Technologies, which offers specialized technology solutions for digital onboarding, eKYC, fund reports, and other support to marquee AIF brands and banks. It functions as an API-enabled gateway, connecting digitally savvy consumers to digitally-enabled manufacturers and providers.
- During the year, Fintuple's partnership went live with a large bank. This is a synergistic offering, which includes various other products from the CAMS Group. Fintuple's new unified platform integrates all Custody, Clearing, Fund Accounting, Treasury & Forex services digitally under one roof.
- CAMS Wealthserv achieved 110+ sign-ups during the year, making it a preferred AIF onboarding platform. It also launched WealthServ 2.0, a comprehensive digital solution, which is garnering excellent market response.
- During the year, there were 130+ installations of CAMS Wealthserv and Fintuple digital onboarding solution.
- With the increasing number of launches in AIF/PMS schemes, the rising number of subscribers, increasing number of distributors, and the ballooning size of existing schemes, we see strong traction in the adoption of RTA services by AIF/PMS funds, wherein CAMS has a strong positioning.

### Insurance Repository

- CAMS has a ~40% market share (by policies) in the insurance repository business, with more than 7.2m e-insurance policies and 6m e-insurance accounts (vs. 1.1m in FY23). In FY24, CAMS assisted insurance companies to process INR12b worth of unclaimed amount using deep contact tracing vs. INR8.5b in FY23.
- CAMS is building India's first insurance portfolio management platform, Bima Central for providing policy holder services, renewal reminders, policy downloads, and several other compelling features.
- CAMS Rep in the CKYC Space on-boarded Oriental Insurance Company OICL for completing their KYC process. This service will be powered by Think360's Kwik ID, demonstrating the prowess of CAMS group's KYC capabilities.
- The segment is witnessing strong momentum, with insurance policyholders proactively opting to dematerialize policies and undertake KYC, in response to IRDAI's regulatory proposal. This reflects the consumers' willingness to align their behavior with the convenient regime and take full advantage of its benefits.
- Moreover, with the mandate of KYC now finally in effect for general insurers, there is further scope to bring non-life onto the insurance repository platform.

### Account Aggregator

- Given the vast volume of data across diverse industries like banking, insurance, pension and MF, CAMS is poised for exponential growth in the account aggregation segment. It is well positioned to capitalize on the opportunities through a combination of unique digital solutions and core AA offerings.

- During the year, 52 FIPs were integrated, including banks, CRA, MF, insurance and 101 FIUs. CAMS has a market share of 24% in FIUs live and 13.3% market share for customers successfully linked to the account aggregator ecosystem.
- In order to build a robust technological platform for account aggregation, CAMS has collaborated with Microsoft India to steer digital transformation in credit lending, investment advisory, and personal finance management.

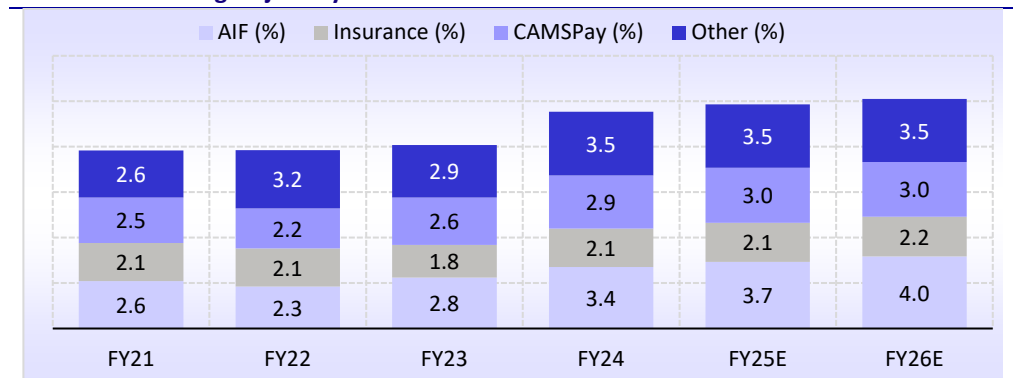
**CRA business**

- CAMS had launched the industry’s first NPS CRA platform on the cloud in Mar’22. The platform has been strategically designed to enhance subscriber experience through features like UPI-based bank account verification and onboarding of pension customers by using eKYC data. The platform and API stack were also modified and extended further for point of presence (POP). Subscriber onboarding grew by 40% YoY.
- CAMS is ranked No. 2 in terms of new eNPS registrations with a market share of 7.3%. The visitor’s count on the website increased to ~0.1m and there were 7,700+ total eNPS through camsnps.com.
- CAMS is making significant inroads into the POP and corporate segment, with 74% new subscription coming from the retail POP channel. New POPs were on-boarded to increase volumes.
- It has enhanced offerings in the segment with additional features like UPI AutoPay, eNach, and CAS.

**Other businesses**

- CAMS is a licensed **KYC Registration Agency (KRA)** for capital markets, providing services for verifying and maintaining KYC records of investors for use by financial institutions. In FY24, the number of KYC registrations crossed 18m vs. 10m in FY23.
- **CAMSPay** crossed 1.4m UPI autopay mandate registrations per month and processed 10m+ NACH active mandate registrations, a staggering INR80b worth of monthly transactions (NACH & Digital Transactions) with a market share of more than 50% in MF ecosystems. CAMSPay on-boarded LIC as an exclusive partner to execute customer account authentication. In collaboration with the mutual fund ecosystem, CAMSPay has launched the industry’s first Daily SIP, offering unparalleled flexibility in investment opportunities.
- **Sterling Software** – Launched the first API-based integrated solution for a major private sector bank. DICEPRO, an upgraded version of the broker rate structure management platform, offers better user experience, supports customer-specific customizations with faster turnaround times, and includes all the existing features of DICE. It is integrated with the core RTA system, reducing the need for manual interventions and minimizing risk.

**Exhibit 13: Growing trajectory of non-MF business**



Source: MOFSL, SEBI



## Materiality matrix

Continuous dialogues with the stakeholders has helped CAMS understand their needs and expectations and assess aspects that are most critical to maximize value creation. Based on the engagement and sustained inputs from its internal team across businesses and functions, it has identified an extensive list of material priorities. Considering their length of impact on its business goals and peer benchmarking, the material matters have been further shortlisted.

Exhibit 14: Materiality matrix



Source: MOFSL, Company

## ESG Framework – Committed to sustainable development



### Pillar 1 – Environment: Responsibility for a better planet

- A project for the restoration of Chengalpet Medical College Lake at Chengalpet District of Tamil Nadu had been undertaken, which resulted in an increase in the water holding capacity of the lake by 100%. This will benefit about 6,000 people in the region.
- CAMS has followed stringent internal targets to reduce waste, water, and carbon emission and invest in renewable green energy. Paper use is actively discouraged across the organization, and internal processes have been aligned to process transactions through electronic submissions.
- Installation of LED lighting system to reduce usage of limited resources.
- Tree plantation campaigns were done to enhance the air quality, reduce water run-off and soil erosion, and absorb noise, dust, and heat in the region.

### Pillar 2 – Social: Ensuring well-being and development of employees

- CAMS partnered with eVidyaloka, a reputed NGO, to provide a digital classroom program supporting 10 rural centers in Tamil Nadu and Maharashtra. More than 1,500 children in the rural India benefitted from this program.
- In the healthcare sector, CAMS supported the Occupational Optometry Services Wing, Sankara Nethralaya (SN), and conducted 37 camps across Tamil Nadu and Kerala. These camps benefited 3,272 unorganized sector workers, with 2,570 receiving new glasses, including refractive safety eyewear, tints, and coatings to manage occupational challenges.
- In order to promote learning and development, a management course at LIBA was opened for all the employees during the year to gain required skills, and about 18 leaders will complete their courses in Jun'24.
- A six-month training program was introduced for developing behavioral, functional and leadership competencies, and sessions were convened once or twice in a month. Around 70 leaders were trained under Pragathi.

### Pillar 3 – Governance: Obliging to good corporate governance practices

- The governance framework, systems, and processes at CAMS reflect and enable vision and values. These practices are led by the board in support with the various board committees. The governance is further strengthened by adequate board independence.
- Ethical practices are of utmost importance at CAMS, and all actions are guided by the Code of Conduct (CoC). CAMS has further implemented several policies, including for vigil mechanism and whistleblower employee safety, POSH, and anticorruption and bribery.
- CAMS has made policies on cyber security, cyber resilience, and data privacy. It is in compliance with ISO 27001 that helps protect the systems and safeguard information.
- Reinforcing people competencies in mutual fund operations – CAMS has mandated NISM training and certification for all employees before joining units to ensure regulatory compliance.

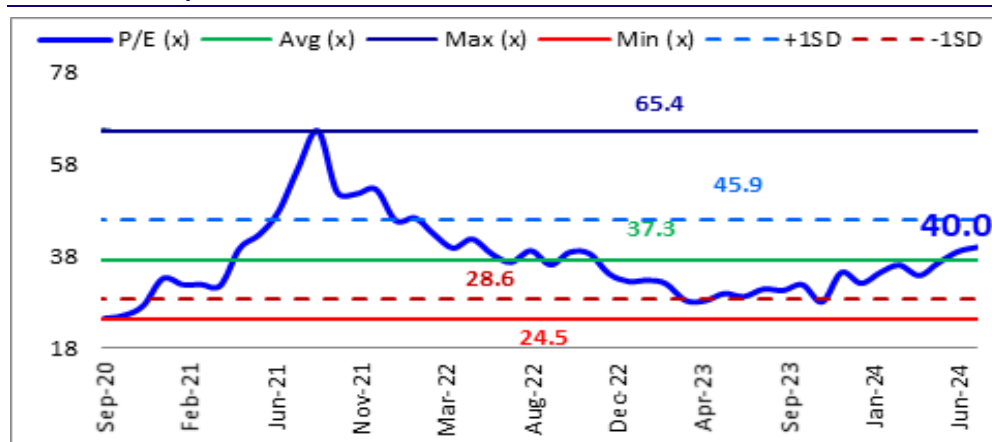
## Strong financial performance

- CAMS MF AAUM grew 22% YoY to INR33.4t, of which Equity AUM stood at INR16.4t (up 32% YoY), constituting 49% of the total AUM. For FY24, revenue/PAT grew by 17%/23% to INR11.4b/INR3.5b.
- The MF segment's yield was 3bp in FY24 vs. 3.2bp in FY22 and FY23. The drop in yield was due to the re-negotiation with AMCs and the telescopic structure of the pricing. Overall, MF segment revenue was INR10b, up 15% YoY.
- Non-MF segment revenues were INR1.5b vs. INR982m in FY23 (up 50% YoY), led by Think360, which started contributing in FY24 itself. CAMSPAY/AIF segments witnessed strong growth of 24%/23% YoY.
- EBIDTA came in at INR5b (up 20% YoY) and EBIDTA margins came in at 44.4% vs. 43.3% in FY23. PAT margins grew to 30.9% vs. 29.3% in FY23. ROE improved to 41.3% vs. 39.8% in FY23.
- The cost-to-income ratio stood at 56%, employee costs grew 11% YoY to INR3.9b vs. INR3.6b in FY23. Other expenses grew 22% YoY to INR2.3b vs. INR1.9b in FY23. Of other expenses, service charges grew 30% YoY to INR5.8b and software charges grew 30% YoY to INR4.7b.

## Valuation and view

**Valuation:** Empirically, CAMS has traded at a premium to listed AMC stocks in terms of one-year forward P/E. Due to the outperformance by AMC stocks, the valuation gap between CAMS and AMC stocks has narrowed. The premium for CAMS is well deserved, given: 1) the duopoly nature of the industry and high-entry barriers, 2) relatively low risk of a market share loss, and 3) higher customer ownership as compared to AMCs. Structural tailwinds in the MF industry shall support absolute growth in MF revenue for CAMS. With favorable macro triggers and right investments, the revenue contribution of non-MF businesses for CAMS is expected to increase in the next three to five years. We broadly maintain our estimates and a BUY rating on the stock with a TP of INR4,200, based on 40x FY26E EPS.

Exhibit 15: One year forward P/E chart



Source: MOFSL, Company

## Financials and valuation

Income Statement							INR m	
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Revenue	6,936	6,996	7,055	9,097	9,718	11,365	13,318	15,297
Change (%)	8	1	1	29	7	17	17	15
Employee expense	2,746	2,580	2,624	3,218	3,581	3,972	4,408	4,893
Other expenses	1,754	1,544	1,471	1,638	1,925	2,345	2,687	3,079
Operating Expenses	4,501	4,124	4,094	4,855	5,506	6,316	7,095	7,972
<b>EBITDA</b>	<b>2,436</b>	<b>2,873</b>	<b>2,961</b>	<b>4,241</b>	<b>4,212</b>	<b>5,049</b>	<b>6,223</b>	<b>7,325</b>
Change (%)	-6	18	3	43	-1	20	23.3	17.7
Dep/Interest/Provisions	609	582	513	587	679	787	823	860
Other Income	182	217	298	173	268	406	445	541
<b>PBT</b>	<b>2,009</b>	<b>2,508</b>	<b>2,745</b>	<b>3,827</b>	<b>3,802</b>	<b>4,668</b>	<b>5,845</b>	<b>7,007</b>
Change (%)	-11	25	9	39	-1	23	25.2	19.9
Tax	700	773	692	957	956	1,159	1,473	1,766
Tax Rate (%)	35	31	25	25	25	25	25.2	25.2
<b>PAT</b>	<b>1,309</b>	<b>1,735</b>	<b>2,053</b>	<b>2,870</b>	<b>2,846</b>	<b>3,510</b>	<b>4,372</b>	<b>5,241</b>
Change (%)	-11	33	18	40	-1	23	24.6	19.9
Dividend	1,096	594	2,488	1,895	1,850	2,064	2,842	3,407
<b>Balance Sheet</b>							<b>INR m</b>	
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Equity Share Capital	488	488	488	489	490	491	491	491
Reserves & Surplus	4,007	5,001	4,671	5,987	7,335	8,665	10,184	12,019
<b>Net Worth</b>	<b>4,494</b>	<b>5,489</b>	<b>5,159</b>	<b>6,476</b>	<b>7,825</b>	<b>9,156</b>	<b>10,676</b>	<b>12,510</b>
Borrowings	0	0	0	0	0	0	0	0
Other Liabilities	2,869	2,542	3,260	3,094	3,151	4,986	5,531	6,120
<b>Total Liabilities</b>	<b>7,363</b>	<b>8,030</b>	<b>8,419</b>	<b>9,571</b>	<b>10,976</b>	<b>14,142</b>	<b>16,206</b>	<b>18,630</b>
Cash and Bank balance	435	504	1,803	1,510	1,524	2,111	2,562	3,674
Investments	2,305	3,056	2,355	3,170	3,298	4,066	5,566	6,766
Net Fixed Assets	3,200	3,090	2,840	3,141	3,413	3,889	3,548	3,170
Current Assets	1,423	1,380	1,421	1,750	2,740	4,076	4,531	5,021
<b>Total Assets</b>	<b>7,363</b>	<b>8,030</b>	<b>8,419</b>	<b>9,571</b>	<b>10,975</b>	<b>14,142</b>	<b>16,206</b>	<b>18,630</b>

E: MOFSL Estimates

## Financials and valuation

							INR m	
Cashflow	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>Y/E March</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>
Profit after Tax	1,304	1,734	2,053	2,870	2,846	3,510	4,372	5,241
Adjustments	369	-126	199	729	754	261	378	319
Change in Working Capital	347	(237)	697	(129)	(17)	1,493	418	460
<b>Cashflow from Operating activities</b>	<b>2,020</b>	<b>1,371</b>	<b>2,950</b>	<b>3,470</b>	<b>3,583</b>	<b>5,264</b>	<b>5,169</b>	<b>6,020</b>
Other Income	182	217	298	173	268	406	445	541
Change in Current Investments	-144	-751	701	-815	-128	-767	-1,500	-1,200
Change in Fixed Asset	-421	174	-63	-791	-875	-1,181	-400	-400
Others	-53	-128	-20	-365	-910	-991	-339	-360
<b>Cashflow from Investing activities</b>	<b>-436</b>	<b>-489</b>	<b>915</b>	<b>-1,798</b>	<b>-1,645</b>	<b>-2,532</b>	<b>-1,794</b>	<b>-1,419</b>
Interest Expense	-105	-97	-79	-71	-76	-82	-82	-82
Dividend Expense	-1,321	-716	-2,488	-1,895	-1,850	-2,064	-2,842	-3,407
<b>Cashflow from Financing activities</b>	<b>-1,426</b>	<b>-813</b>	<b>-2,567</b>	<b>-1,966</b>	<b>-1,926</b>	<b>-2,146</b>	<b>-2,924</b>	<b>-3,489</b>
Net Cashflow	158	69	1,298	(293)	13	586	451	1,112
Opening Cashflow	277	435	504	1,803	1,510	1,524	2,111	2,562
<b>Closing Cashflow</b>	<b>435</b>	<b>504</b>	<b>1,803</b>	<b>1,510</b>	<b>1,524</b>	<b>2,111</b>	<b>2,562</b>	<b>3,674</b>

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>AAAUM (INR B)</b>	<b>15,841</b>	<b>18,149</b>	<b>19,984</b>	<b>25,500</b>	<b>27,300</b>	<b>33,400</b>	<b>39,540</b>	<b>45,925</b>
Change (%)	15.1	14.6	10.1	27.6	7.1	22.3	18.4	16.1
Equity	6,232	6,706	6,806	10,100	12,400	16,400	20,500	24,600
Non-Equity	9,609	11,443	13,178	15,400	14,900	17,000	19,040	21,325

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Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
<b>Margins Analysis (%)</b>								
Revenue Yield (bps)	4.38	3.85	3.53	3.57	3.56	3.40	3.37	3.33
<b>Cost to Income Ratio</b>	<b>64.9</b>	<b>58.9</b>	<b>58.0</b>	<b>53.4</b>	<b>56.7</b>	<b>55.6</b>	<b>53.3</b>	<b>52.1</b>
EBITDA Margins	35.1	41.1	42.0	46.6	43.3	44.4	46.7	47.9
PBT Margin	29.0	35.8	38.9	42.1	39.1	41.1	43.9	45.8
PAT Margin	18.9	24.8	29.1	31.6	29.3	30.9	32.8	34.3
<b>Profitability Ratios (%)</b>								
RoE	29.1	34.8	38.6	49.3	39.8	41.3	44.1	45.2
Dividend Payout Ratio	83.7	34.2	121.2	66.0	65.0	58.8	65.0	65.0

### Dupont Analysis (Bps of AAAUM)

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E
Operating Income	4.4	3.9	3.5	3.6	3.6	3.4	3.4	3.3
Operating Expenses	2.8	2.3	2.0	1.9	2.0	1.9	1.8	1.7
<b>EBITDA</b>	<b>1.5</b>	<b>1.6</b>	<b>1.5</b>	<b>1.7</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>
Depreciation and Others	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>PBT</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>
Tax	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4
<b>ROAAAUM</b>	<b>0.8</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>

Valuations	2019	2020	2021	2022	2023	2024	2025E	2026E
BVPS (INR)	92	112	105	132	160	187	218	255
Change (%)	-0.4	22.1	-6.0	25.5	20.8	17.0	16.6	17.2
Price-BV (x)	<b>39.9</b>	<b>32.7</b>	<b>34.8</b>	<b>27.7</b>	<b>22.9</b>	<b>19.6</b>	<b>16.8</b>	<b>14.3</b>
EPS (INR)	26.7	35.4	41.9	58.6	58.1	71.6	89.2	107.0
Change (%)	-10.5	32.5	18.4	39.8	-0.8	23.3	24.6	19.9
Price-Earnings (x)	<b>137.1</b>	<b>103.5</b>	<b>87.4</b>	<b>62.5</b>	<b>63.1</b>	<b>51.1</b>	<b>41.0</b>	<b>34.2</b>
DPS (INR)	22.4	12.1	50.8	38.7	37.8	42.1	58.0	69.5
Dividend Yield (%)	<b>0.6</b>	<b>0.3</b>	<b>1.4</b>	<b>1.1</b>	<b>1.0</b>	<b>1.2</b>	<b>1.6</b>	<b>1.9</b>

E: MOFSL Estimates

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