

Over the past year, the company has made significant strides in its recovery and growth in its AUM trajectory – overall AUM growth revived to 20.8% in FY24 vs. negative growth of 7% seen in FY23. The appointment of Mr. Harish Krishnan as Co-CIO has led to a revitalized investment strategy, including the formation of a research team and a renewed focus on mid-small cap stocks. Additionally, the company is expanding its distribution channels both geographically and digitally. As a result, 65-66% of its fund performance now ranks in the top two quartiles, reflecting improved investment outcomes.

We estimate overall revenues to grow by 18.9% during FY24-26 period from INR 1353 cr in FY24 to touch INR 1915 cr in FY26e largely led by stable retention yields and healthy AUM growth across equity, debt & alternates. We expect total AUM to reach size of INR 4.6 trillion in FY26e from INR 3.45 trillion in FY24, growing at CAGR of 15.4% largely led by MTM gains. Additionally, alternates AUM of the company to double in next 2 years time to touch INR 29016 cr by FY26e end vs. INR 14100 cr in FY24 (43.4% CAGR returns for the period FY24-26e) led by new fund flows in this space.

ABC AMC lagged behind in capitalising on strong industry growth momentum. With new management and renewed focus and change in the strategies will result in improved fund performance and operating matrix. We expect PAT to grow by 17.5% CAGR over the next 2 years time FY24-26 period led by healthy AUM growth.

Financial Summary

Particulars (Rs Cr)	FY23	FY24	FY25e	FY26e
PAT (Rs.cr)	596	780	922	1,077
growth (yoy %)	-11.4	30.9	18.2	16.8
P/E (x)	36.8	28.1	23.8	20.4
P/BV (x)	8.7	6.9	6.0	5.3
ROE (%)	25.3	27.4	27.1	27.6
ROA (%)	22.8	24.8	24.5	24.9
Operating Profit Margin (%)	59.6	59.1	63.5	65.4
Net Profit Margin (%)	48.6	57.7	56.0	56.2

Source: Company, D&B Research

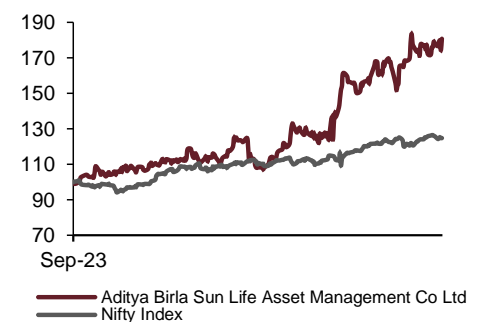
Rating	TP (Rs)	Up/Dn (%)
BUY	935	23

Market Data

Current price	Rs	761
Market Cap (Rs.Bn)	(Rs Bn)	219
Market Cap (US\$ Mn)	(US\$ Mn)	2,622
Face Value	Rs	5
52 Weeks High/Low	Rs	775 / 411.5
Average Daily Volume	('000)	400
BSE Code		543374
Bloomberg		ABSLAMC.IN

Source: Bloomberg

One Year Performance



% Shareholding	Jun-24	Mar-24
Promoters	75	75
Public	25	25
Total	100	100

Source: Bloomberg

Anusha Raheja
 +91 22 67141489
 anusha.raheja@dalal-broacha.com

Valuations

Currently the company is trading at attractive valuations of 28.1x/23.8x/20.4x for FY24/FY25e/FY26e period on ROE of 27-28%.

Additionally, relative valuations of the ABSL AMC is cheap vis-à-vis its peers HDFC AMC is trading at 40x/36x P/E on FY25/FY26e EPS, Nippon AMC at 33x/29x, UTI 22x/21x for the same period.

The stock is nearly 50-60% discount to its peers. We expect stock to get re-rated - we assign BUY rating with TP of INR 935, upside of 23% from current levels (discounting its FY26e EPS by 25x).

INVESTMENT ARGUMENTS

ABSL AUM is likely to witness healthy growth

AUM fund performance improved in FY24 vs. FY23 levels led by equity AUM where growth improved by 31.3% yoy in FY24 vs. -4.3% seen in FY23. Total AUM of the company surged by 20.8% yoy in FY24 vs. decline of 6.9% seen in FY23. Going forward, overall AMC industry is likely to do well including ABC AMC led by favourable macro-economic factors,

We expect AUMs of the company to grow at 16% CAGR over FY24-26e period to reach size of INR 4.6 trillion from current FY24 base of INR 3.45 trillion largely led by MTM gains on the equity AUMs, stronger growth on the alternates AUMs and to some extent led by new fund flows. We expect equity AUM to grow at ~17% CAGR over FY24-26e period vs. negative growth of 4.3% in FY23 and 31.3% growth seen in FY24. On the other hand, debt flows are also likely to see healthy traction given expected declining interest rate scenario (estimated debt AUM to grow by 15% CAGR vs. -14.1%/18.9% growth rates seen in FY23/FY24).

Additionally, alternates AUM of the company to double in next 2 years time to touch INR 29016 cr by FY26e end vs. INR 14100 cr in FY24 (43.4% CAGR returns for the period FY24-26e) led by new fund flows in this space.

Within this, equity AUM will continue to occupy dominant share of 45% (vs. 40.5%/44% in FY23/FY24) and debt 37-38% share similar to last years. While alternates AUM share will increase from 4.1% in FY24 to 6.3% in FY26e as its AUM will double in next 2 years time

We estimate overall revenues to grow by 18.9% during FY24-26 period from INR 1353 cr to touch INR 1914.5 cr in FY26 largely led by stable retention yields and healthy AUM growth across equity, debt & alternates.

Retention yields across segments

Retention yields (%)	FY22	FY23	FY24	FY25	FY26
Mutual Fund - Equity	0.70	0.68	0.68	0.68	0.67
Mutual Fund - Debt	0.33	0.27	0.26	0.26	0.26
Mutual Fund - Liquid	0.15	0.12	0.13	0.13	0.13
Alternates	0.43	0.44	0.57	0.56	0.56
Total Retention yields (incl. alternates)	0.44	0.41	0.43	0.44	0.44
Total Retention yields (excl alternates)	0.41	0.38	0.39	0.41	0.41

Source: Company, D&B Research

Quarterly AAUM mix of ABSL AMC

(Rs.cr)	FY22	FY23	FY24	FY25e	FY26e
Quarterly AAUM mix					
Mutual Fund - Equity	121,000	115,800	152,000	179,360	208,058
Mutual Fund - Debt	127,200	109,300	130,000	149,500	171,925
Mutual Fund - Liquid	47,600	50,100	49,700	50,694	51,708
Alternate Assets - Equity	10,700	10,000	13,200	19,800	27,720
Alternate Assets - Others	900	1,000	900	1,080	1,296
Total	307,400	286,200	345,800	400,434	460,706
Growth (yoy %)					
Mutual Fund - Equity	24.9	-4.3	31.3	18.0	16.0
Mutual Fund - Debt	-1.6	-14.1	18.9	15.0	15.0
Mutual Fund - Liquid	10.4	5.3	-0.8	2.0	2.0
Total	9.4	-6.9	20.8	15.8	15.1
Share (yoy %)					
Mutual Fund - Equity	39.4	40.5	44.0	44.8	45.2
Mutual Fund - Debt	41.4	38.2	37.6	37.3	37.3
Mutual Fund - Liquid	15.5	17.5	14.4	12.7	11.2
Alternate Assets - Equity	3.5	3.5	3.8	4.9	6.0
Alternate Assets - Others	0.3	0.3	0.3	0.3	0.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Company, D&B Research

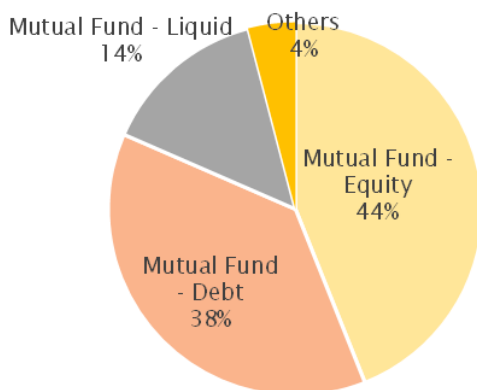
Peer comparison of AMC companies

(FY24, Rs.cr)	ABC AMC	HDFC AMC	UTI AMC	Nippon AMC
Mutual Fund - Equity	152000	386000	84777	212200
Mutual Fund - Debt	130000	136800	206104	68145
Mutual Fund - Liquid	49700	67400	-	39248
Others	14100	22677	-	111707
Total QAAUM	345800	612877	290881	431300
Growth (yoy %)	ABC AMC	HDFC AMC	UTI AMC	Nippon AMC
Mutual Fund - Equity	31%	60%	20%	63%
Mutual Fund - Debt	19%	18%	22%	26%
Mutual Fund - Liquid	-1%	-6%		1%
Others	28%			0%
Total AUM	21%	39%	22%	47%
Share (yoy %)	ABC AMC	HDFC AMC	UTI AMC	Nippon AMC
Mutual Fund - Equity	44%	63%	29%	49%
Mutual Fund - Debt	38%	22%	71%	16%
Mutual Fund - Liquid	14%	11%	-	9%
Others	4%	4%	-	26%
Total AUM	100%	100%	100%	100%

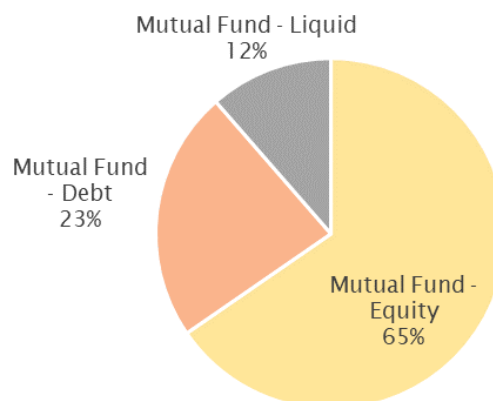
Source: Company, D&B Research

Break-up of the AUM of different AMC companies

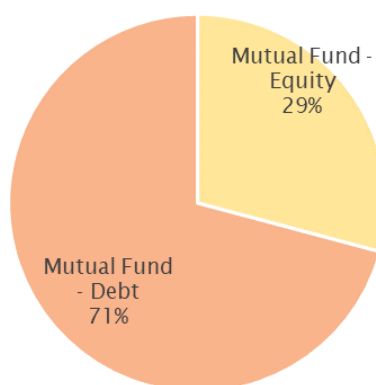
ABC AMC (FY24)



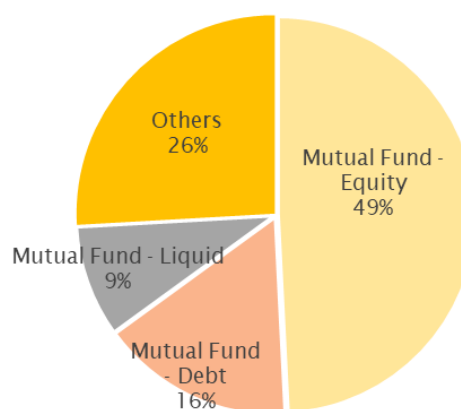
HDFC AMC (FY24)



UTI AMC



Nippon AMC (FY24)



Recent fund launches to augment overall AUM growth to some extent

Aditya Birla Sun Life Mutual Fund has recently launched several new funds – all these new fund launches will augment the overall AUM growth going forward. Below is the list of the recently concluded fund launches & are in future pipeline

- **Aditya Birla Sun Life Quant Fund** (open-ended equity fund following a quant-based investment theme successfully closed its NFO in June 2024, which garnered INR 2,400 crore, the largest in its category)
- **Aditya Birla Sun Life Nifty India Defence Index Fund** (NFO offering exposure to defence sector, garnered INR 3.3 bn)
- Alternates to witness series of new product pipelines while in some, fund raising is underway i) on PMS/AIF side, there is product pipeline for CAT II Fund includes ABSL Structured Opportunities Fund, ABSL Money Manager Fund ii) real estate side – fund raising is underway for Aditya Birla Real Estate Credit Opportunities Fund & Series 2 iii) on offshore side, product pipeline includes ABSL India ESG Engagement Fund (IFSC), ABSL Flexi Cap Fund (IFSC), ABSL Global Bluechip Fund (IFSC).

While fund raising is underway for ABSL Global EM Equity Fund (IFSC) (CAT II Fund, Global Equity FoF AIF domiciled in GIFT city), ABSL Index Linked Fund (IFSC) (CAT III Fund, investing in METYS Index linked Notes issued by HSBC Bank Plc), ABSL India Opportunities Fund (Fixed Income Fund domiciled in Cayman Islands investing in Indian Issued Dollar Bonds). These offshore funds will give NRI investors an opportunity to invest in India.

- These new fund launches demonstrate ABSL AMC efforts to offer investors a diverse range of thematic and index funds, catering to the growing demand for quant-based strategies, ESG investing, and NRI investment opportunities in India.

Alternates AUM to double in next 2 years time

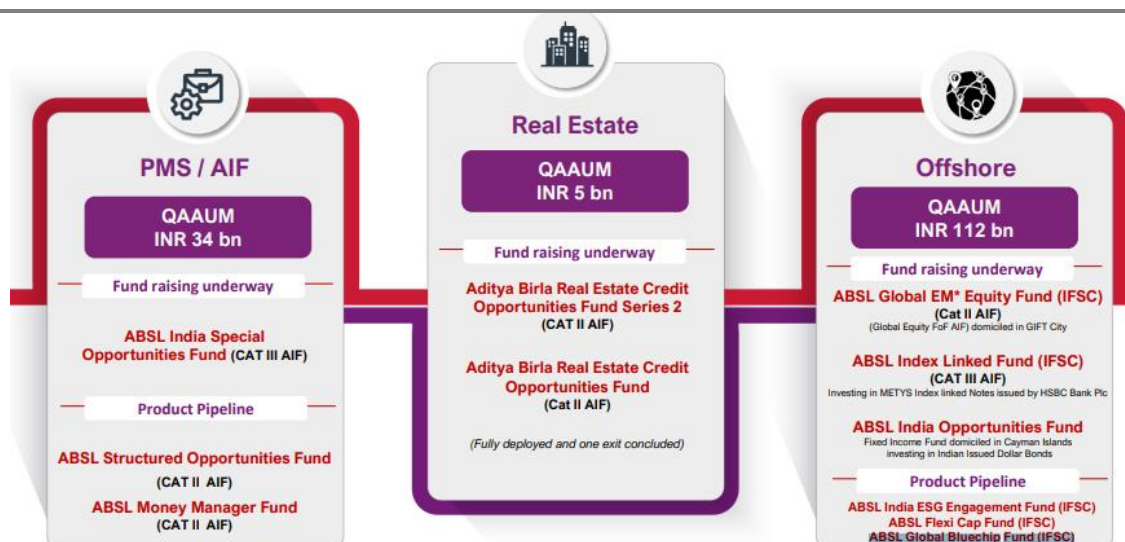
The company is planning to build sizeable scale in the alternates space which is expected to double in next 2 years time.

Current alternates AUM stands at INR 151 bn (Q1FY25) which includes offshore AUM INR 112 bn (74.2% share), PMS /AIF INR AUM 34 bn (22.5% share) and real estate AUM INR 5 bn (3.3% share). Management expects alternates AUM to double in next 2 years time to grow from INR 14100 cr in FY24 to INR 29016 cr in FY26e i.e. growing at CAGR of 43.5% during FY24-26e. There are series of product in pipeline on the alternates side viz. on PMS/AIF side ABSL Structured Opportunities Fund (CAT II Fund), ABSL Money Manager Fund (CAT II AIF) and on offshore side, ABSL India ESG Engagement Fund, ABSL Flexicap Fund, ABSL Global Bluechip Fund.

In the last 10 years, AIF industry has grown at stupendous space - reaching a mammoth size of INR 11.34 trillion i.e. growing at CAGR of 54% during FY17-24 period (commitment raised). Within this, CAT I funds have 6.8% share, CAT II 80.4% share and CAT III funds 12.8% share. While funds raised AIF AUM stood at INR 4.5 trillion (growing at 40.9% CAGR during FY17-24 period).

As per our estimate, total AIF of ABSL AMC to touch INR 29016 cr by FY26e end vs. INR 14100 cr in FY24 (43.4% CAGR returns for the period FY24-26e)

Chart: Alternates AUM details



Source: Company

Total AIF industry from the nascent size of INR 0.3 trillion in FY16 has touched INR 11.3 trillion in FY24 (CAGR growth of 52.5% in the last 8 years time)

Commitments Raised										
(Rs.cr)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	CAGR FY17-24
CAT 1	10,568	20,601	28,036	33,534	38,745	44,560	53,374	58,929	76,865	28.1%
CAT 2	24,061	51,734	105,799	205,360	282,013	356,627	519,189	693,945	912,903	57.5%
CAT 3	4,249	11,968	31,261	43,255	49,230	50,030	68,796	80,900	145,132	55.5%
Total	38,878	84,303	165,095	282,148	369,988	451,216	641,359	833,774	1,134,900	52.5%
Growth (yoy %)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	
CAT 1		94.9	36.1	19.6	15.5	15.0	19.8	10.4	30.4	
CAT 2		115.0	104.5	94.1	37.3	26.5	45.6	33.7	31.6	
CAT 3		181.7	161.2	38.4	13.8	1.6	37.5	17.6	79.4	
Total		116.8	95.8	70.9	31.1	22.0	42.1	30.0	36.1	
	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	
CAT 1	27.2	24.4	17.0	11.9	10.5	9.9	8.3	7.1	6.8	
CAT 2	61.9	61.4	64.1	72.8	76.2	79.0	81.0	83.2	80.4	
CAT 3	10.9	14.2	18.9	15.3	13.3	11.1	10.7	9.7	12.8	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Source: SEBI

Building Core Team

Over the past year, ABSL AMC has made significant senior-level hires to enhance its core team. Key appointments include:

- **Mr. Harish Krishnan** as Co-CIO & Head Equity, who joined in September 2023. Prior to this, he was associated with Kotak Mutual Fund for more than 10 years as Senior Fund Manager - Equity. He has also worked at Kotak Mahindra (UK) Limited where he managed offshore funds based out of Singapore and Dubai.
- **Ms. Kamyani Nagar** as Head of Retail Sales.
- **Mr. Amit Kansal** focusing on Alternate Assets Fixed Income.
- **Mr. Deepak Yadav** as Head of Passive Business.

Additionally, the company is strengthening its research team, which is vital for asset management, by hiring senior fund managers for the small and mid-cap sectors and adding bespoke analysts for on-ground research. These strategic moves aim to address existing gaps and align the company with its peers to achieve top-quartile fund performance.

Changes in Investment Strategy under New CIO

Since the appointment of Mr. Harish Krishnan as the new Co-Chief Investment Officer (CIO) in September 2023, the company has made significant changes to its investment strategy which includes –

➤ Focus on Scalable, Sustainable, and High-Growth Businesses

➤ **The fund house is now focusing on investing in businesses that are -**

- Scalable and sustainable
- Growing faster than the industry average
- Generating strong returns on equity (ROE)
- Producing good cash flows
- Led by capable management teams

➤ **Bolder and Bigger Bets**

The fund house aims to make higher conviction bets in two ways

1. Building a core portfolio of stocks that have the potential to double in value over the next 3-6 years from a medium-term perspective
2. Applying a counter-cyclical strategy to selectively add stocks to the portfolio

➤ **Increased Focus on Small and Mid-Cap Stocks**

The fund house is incrementally building exposure to small and mid-cap companies, which have seen significant market rallies in recent times. The goal is to have a larger share of the top 75 companies in India.

➤ **Optimizing Analyst Coverage**

The fund house aims to optimize its stock coverage, with each analyst covering no more than 30 stocks, down from the current level of 50+. The total coverage list currently stands at 510 stocks

Also, it has currently having 510 stocks in its coverage list – wherein target per analyst should be to cover stocks not more than 30 which is currently at 50+. Also, it plans to increase the weightage of top 75 stocks which currently top 75 which currently occupy 80% of the AUMs.

Long term structural tailwinds for the AMC growth

Total asset management industry has reached a massive size of INR 54 trillion, which has grown at 19% CAGR over the last 3 years (FY21-24 period) led by new flows and MTM gains. Within this, equity AUMs has outperformed by large margin growing at rapid pace of 32% CAGR for the same period (47.7% share). Also, alternates AUM currently now form nearly 1/5th of the total mutual fund industry.

As these dynamics continue to evolve, the mutual fund industry is expected to experience significant growth driven by long term structural drivers including favourable macro-economic factors resulting in higher GDP growth, technological advancements, demographic dividend (Gen Z population is increasingly investing in mutual funds), expansion into untapped markets i.e. in rural & semi-urban areas resulting in growing investor base, MFs are drawing higher wallet share of Indian household savings.

AMC industry is growing at stupendous space – from INR 31.5 trillion in FY21 to INR 53.3 trillion in FY24 led by equity. We expect strong traction to continue ahead as well (AUM of AMC on closing AUM basis)

(Rs.cr)	FY21	FY22	FY23	FY24
Industry AUM Mix				
Mutual Fund - Equity	1,300,000	1,810,000	2,000,000	3,040,000
Mutual Fund - Debt	1,060,000	950,000	920,000	1,000,000
Mutual Fund - Liquid	410,000	450,000	430,000	420,000
Others	380,000	550,000	600,000	870,000
Total	3,150,000	3,760,000	3,950,000	5,330,000
Growth (yoy %)				
<i>Mutual Fund - Equity</i>		39.2	10.5	52.0
<i>Mutual Fund - Debt</i>		-10.4	-3.2	8.7
<i>Mutual Fund - Liquid</i>		9.8	-4.4	-2.3
Total		19.4	5.1	34.9
Share (yoy %)				
<i>Mutual Fund - Equity</i>	41.3	48.1	50.6	57.0
<i>Mutual Fund - Debt</i>	33.7	25.3	23.3	18.8
<i>Mutual Fund - Liquid</i>	13.0	12.0	10.9	7.9
<i>Others</i>	12.1	14.6	15.2	16.3
Total	100.0	100.0	100.0	100.0

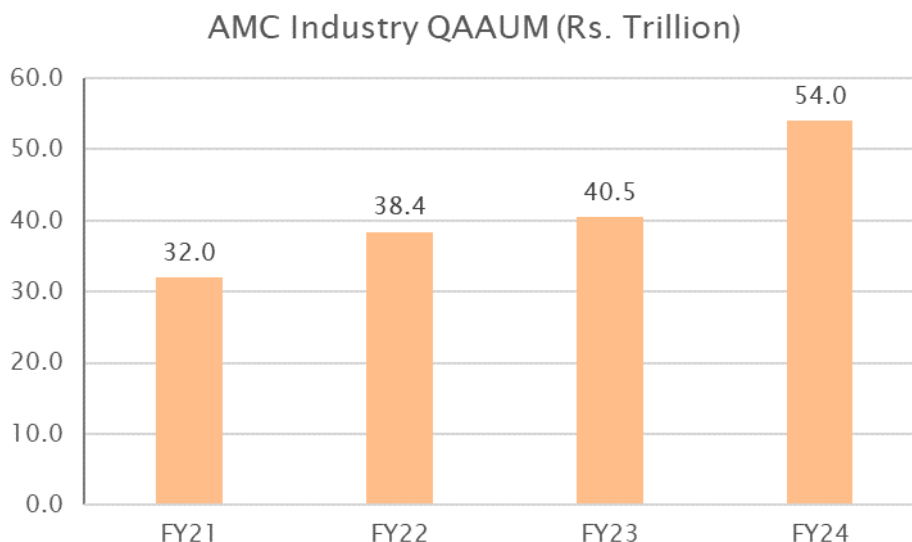
Source: Company, D&B Research

Industry AUM data of AMCs based on quarterly average

(Rs.cr)	FY21	FY22	FY23	FY24
Industry Qtrly AUM Mix				
Mutual Fund - Equity	12,70,000	17,60,000	19,90,000	29,40,000
Mutual Fund - Debt	11,00,000	10,20,000	8,80,000	10,20,000
Mutual Fund - Liquid	4,60,000	5,10,000	5,60,000	5,83,000
ETF	3,70,000	5,50,000	6,20,000	8,60,000
Total	32,00,000	38,40,000	40,50,000	54,03,000
Growth (yoy %)				
<i>Mutual Fund - Equity</i>		38.6	13.1	47.7
<i>Mutual Fund - Debt</i>		-7.3	-13.7	15.9
<i>Mutual Fund - Liquid</i>		10.9	9.8	4.1
Total		20.0	5.5	33.4
Share (yoy %)				
<i>Mutual Fund - Equity</i>	39.7	45.8	49.1	54.4
<i>Mutual Fund - Debt</i>	34.4	26.6	21.7	18.9
<i>Mutual Fund - Liquid</i>	14.4	13.3	13.8	10.8
Total	100.0	100.0	100.0	100.0

Source: Company, D&B Research

AMC industry has grown at CAGR of 19% over FY21-24.



Source: Company, D&B Research

Industry yearly net sales - Equity net flows have been robust since last 3 years. We expect debt flows also to accelerate given expected fall in the interest rates ...

Yearly Net Sales

(Rs.bn)	FY21	FY22	FY23	FY24
Equity	-627	2,680	1,801	2,622
Debt	2,199	-1,630	-795	-7
Liquid	-240	250	-510	-426
Others	816	1,168	266	1,358
Total	2,148	2,468	762	3,547

Source: Company, D&B Research

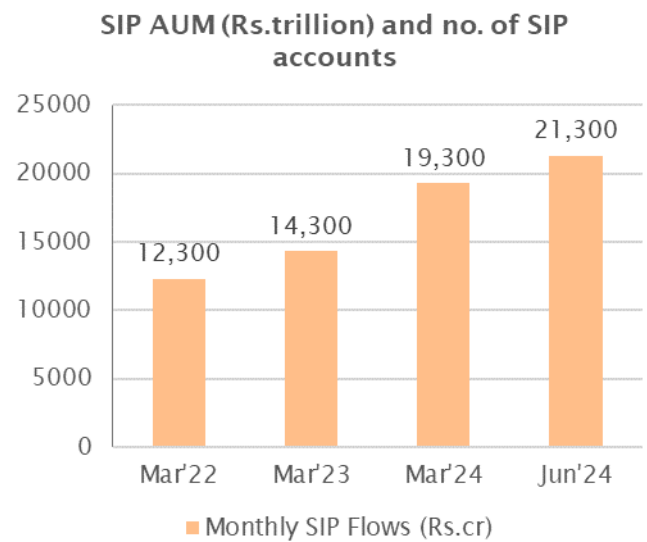
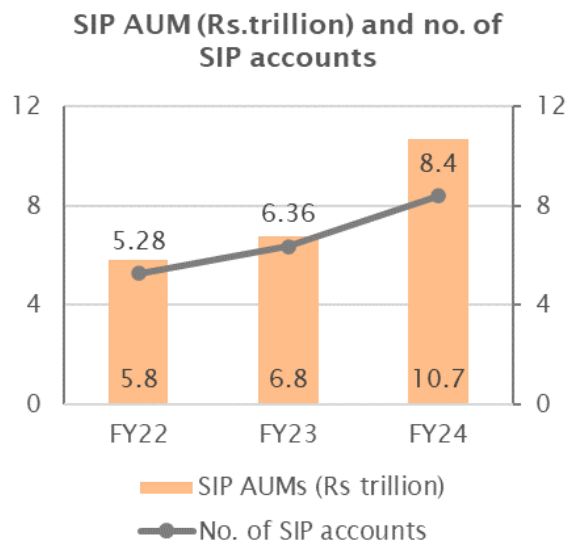
... strong flows are led by individual investors ... and currently individual retail AUM form 60.5% share and institutional AUM have 39.5% share in overall AUMs

Particulars (Rs Cr)	FY21	FY22	FY23	FY24
Overall MAAUM by Investor Category				
Individual AUM	17,30,000	20,80,000	23,26,500	33,30,600
Institutional AUMs	14,90,000	16,90,000	16,78,100	21,70,100
Total	32,20,000	37,70,000	40,04,600	55,00,700
Overall MAAUM by location				
B-30 AUM	5,20,000	6,20,000	6,83,900	9,82,700
Top 30	26,90,000	31,50,000	33,20,700	45,18,000
Total	32,10,000	37,70,000	40,04,600	55,00,700

Source: Company, D&B Research

Monthly SIP flows have nearly grown by ~75% in last 2 years time

Outstanding SIP AUM has nearly grown by 84% in last 2 years and number of SIP accounts by 60% for the same period ...



So Source: Company, D&B Research

Building focus on the retail & institutional business

Management is reviving retail sales & distributors efforts which includes -

- increasing engagement with distributors, MFDs, NFDs
- adding more fleet on the street for more granular retail driven growth
- expanding traction in the institutional business via increasing wallet share of the corporate treasuries and also tapping family offices who can invest across product arena. In order to cater to the same, it is building relevant products and building team as well. Also, more focus is build on corporate SIPs
- **building geographical footprint - it plans to add ~30 branches in FY25e.** Currently, it is present around 290 locations including 85 emerging market locations. In addition to this, it has tie-up with the 80 banks, 305 national distributors, 81000 MFDs and 125 digital partners (50+ added in FY24).
- expanding direct team to beyond top eight cities to top 21 cities
- leveraging on AB Groups network for cross-selling ABC AMC products
- digital focus - a) engaging platforms for driving sales b) using data analytics and benchmarking on industry data to understand the gaps and to target customers.

Rising reach - The company is planning to add 30+ branches in FY25 while nearly 50+ digital partners were added in FY24.

Distribution Foot print	FY22	FY23	FY24
Locations	280	290	290
Banks	110	80	80
Emerging Market Locations	90	85	85
National Distributors	240	270	305
MFDs	72,000	72,000	81,000
Digital Patners	80	75	125

Source: Company, D&B Research

Valuations

Currently the company is trading at attractive valuations of 28.1x/23.8x/20.4x for FY24/FY25e/FY26e period on ROE of 27-28%.

Additionally, relative valuations of the ABSL AMC is cheap vis-à-vis its peers HDFC AMC is trading at 40x/36x P/E on FY25/FY26e EPS, Nippon AMC at 33x/29x, UTI 22x/21x for the same period.

The stock is nearly 50-60% discount to its peers. We expect stock to get re-rated - we assign BUY rating with TP of INR 935, upside of 23% from current levels (discounting its FY26e EPS by 25x).

Peer comparison

	CMP		M.Cap	AUM (Q1FY25)	EPS (Rs)			PBT Margins %			RoE (%)			P/E (x)			P/AUM (x)
	(Rs.cr)				FY24	FY25E	FY26E	FY24E	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	
360 One	1,102	39,562	5,21,208	21	28	34	53%	55%	57%	22%	28%	31%	52	39	32	8%	
Anand Rathi	3,877	16,206	69,018	54	73	93	39%	39%	39%	40%	40%	39%	72	53	42	23%	
Nuvama	6,915	24,203	3,91,356	166	213	250	39%	40%	42%	24%	26%	26%	42	32	28	6%	
Prudent	2,319	9,601	96,260	34	47	59	23%	24%	25%	33%	34%	31%	69	49	40	10%	
HDFC AMC	4,374	93,604	6,71,600	91	108	123	93%	89%	91%	29%	31%	33%	48	40	36	14%	
Nippon AMC	670	42,143	6,04,000	18	20	23	68%	67%	68%	30%	32%	35%	38	33	29	7%	
UTI AMC	1,278	16,231	3,10,697	63	58	61	55%	52%	53%	19%	16%	16%	20	22	21	5%	
ABSL AMC	770	22,176	3,67,600	27	32	37	66%	66%	66%	27%	26%	26%	28	24	21	6%	

Source: Bloomberg, Company

Dupont Comparison on QAAUM

(In bps)	ABC AMC		HDFC AMC		Nippon AMC		UTI AMC	
	FY23	FY24	FY23	FY24	FY23	FY24	FY23	FY24
Operating Income	43	39	49	42	46	38	53	60
Operating Expenses	18	17	12	10	19	15	27	24
EBITDA	25	22	37	32	27	23	26	36
Depreciation & Interest	1	1	1	1	1	1	2	2
Core PBT	23	21	35	31	26	22	24	34
Other Income	4	8	7	9	6	9	1	0
PBT	28	29	42	40	32	31	25	34
Tax	7	7	10	9	7	6	6	6
Return on AAUM	21	23	32	32	25	26	18	28

Source: Company, D&B Research

Financials

Profit and Loss Account

(Rs.cr)	FY22	FY23	FY24	FY25e	FY26e
Total Revenue	1,293	1,227	1,353	1,648	1,914
Operating Expenses	473	522	592	660	749
- Employee Expenses	253	277	321	357	410
- Other Expenses	200	222	236	265	297
- Fees & Comm Expenses	20	23	35	39	42
Core Operating Profits	820	705	761	988	1,165
Core PBT	779	667	721	947	1,125
Other Income	116	127	287	279	307
PBT	895	794	1,008	1,226	1,432
Tax	222	197	228	304	355
PAT	673	596	780	922	1,077

Balance Sheet

(Rs.cr)	FY22	FY23	FY24	FY25e	FY26e
Share Capital	144	144	144	144	144
Reserves & Surplus	2052	2373	3025	3486	4024
Shareholders Funds	2196	2517	3169	3630	4168
Trade Payables	30	48	58	67	77
Other Financial Liabilities	120	99	146	183	230
Non-Financial Liabilities	88	124	130	143	157
TOTAL LIABILITIES	2435	2788	3502	4022	4632
Cash Balance	98	127	85	99	129
Investments	2121	2359	3122	3597	4138
Fixed Assets & Other non-financial assets	171	218	240	269	304
Other Financial Assets	44	84	55	58	61
TOTAL ASSETS	2435	2788	3502	4022	4632

Ratios				
(Rs.cr)	FY23	FY24	FY25e	FY26e
Per Share Data				
EPS (Rs)	20.7	27.1	32.0	37.4
BV (Rs)	87.4	110.0	126.0	144.7
DPS (Rs)	10.25	13.5	16.0	18.7
Dividend Payout Ratio (%)	49.5	49.8	50.0	50.0
Price	761.0	761.0	761.0	761.0
P/E	36.8	28.1	23.8	20.4
P/BV	8.7	6.9	6.0	5.3
Dividend Yield (%)	1.3	1.8	2.1	2.5
(Rs.cr)	FY23	FY24	FY25e	FY26e
Quarterly AAUM mix				
Mutual Fund - Equity	115,800	152,000	179,360	208,058
Mutual Fund - Debt	109,300	130,000	149,500	171,925
Mutual Fund - Liquid	50,100	49,700	50,694	51,708
Alternate Assets - Equity	10,000	13,200	19,800	27,720
Alternate Assets - Others	1,000	900	1,080	1,296
Total	286,200	345,800	400,434	460,706
Growth (yoy %)	FY23	FY24	FY25e	FY26e
Mutual Fund - Equity	-4.3	31.3	18.0	16.0
Mutual Fund - Debt	-14.1	18.9	15.0	15.0
Mutual Fund - Liquid	5.3	-0.8	2.0	2.0
Alternate Assets - Equity	-6.5	32.0	50.0	40.0
Share (yoy %)	FY23	FY24	FY25e	FY26e
Mutual Fund - Equity	40.5	44.0	44.8	45.2
Mutual Fund - Debt	38.2	37.6	37.3	37.3
Mutual Fund - Liquid	17.5	14.4	12.7	11.2
Alternate Assets - Equity	3.5	3.8	4.9	6.0
Alternate Assets - Others	0.3	0.3	0.3	0.3
Total	100.0	100.0	100.0	100.0
Dupoint Analysis (bps of A	FY23	FY24	FY25e	FY26e
Operating Income	43	39	41	42
Operating Expenses	18	17	16	16
EBITDA	25	22	25	25
Depreciation & Interest	1	1	1	1
Core PBT	23	21	24	24
Other Income	4	8	7	7
PBT	28	29	31	31
Tax	7	7	8	8
Return on AAUM	21	23	23	23
Profitability & Return Ratio	FY23	FY24	FY25e	FY26e
ROE (%)	25.3	27.4	27.1	27.6
ROA (%)	22.8	24.8	24.5	24.9
Operating Profit Margin (%)	59.6	59.1	63.5	65.4
Net Profit Margin (%)	48.6	57.7	56.0	56.2

Source: Company, D&B Research

Disclaimer

Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.

D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.dalal-broacha.com

D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.

D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.

D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Disclosures in respect of Research Analyst:

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any

copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.

Tel: 91-22- 2282 2992 | E-mail: equity.research@dalal-broacha.com