

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	ANGELONE IN
Equity Shares (m)	83
M.Cap.(INRb)/(USDb)	107.7 / 1.3
52-Week Range (INR)	2022 / 1066
1, 6, 12 Rel. Per (%)	-10/-12/-3
12M Avg Val (INR M)	1175
Free float (%)	56.3

## Financial & Valuation (INR b)

Y/E March	2023E	2024E	2025E
Revenues	22.3	24.4	28.4
Opex	10.7	11.7	13.5
PBT	11.4	12.3	14.5
PAT	8.5	9.3	10.9
EPS (INR)	103.0	111.6	131.4
EPS Gr. (%)	36.6	8.4	17.7
BV/Sh. (INR)	258.2	330.7	396.5

## Ratios (%)

C/I ratio	47.7	48.0	47.5
PAT margin	38.2	37.9	38.4
RoE	45.8	37.9	36.1
Div. Payout	35.0	35.0	50.0

## Valuations

P/E (x)	12.8	11.8	10.0
P/BV (x)	5.1	4.0	3.3
Div. Yield (%)	2.7	3.0	5.0

## Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	43.7	43.8	43.8
DII	9.7	8.9	8.2
FII	11.3	10.5	4.7
Others	35.3	36.7	43.4

**CMP: INR1,292**      **TP: INR2,100 (+63%)**      **Buy**

## Higher interest income drives 17% earnings beat

- PAT surged 7% QoQ/39% YoY to INR2.3b (17% beat) in 3QFY23. The profitability was driven by a 6.2% beat in operating revenue, which rose 1% QoQ and 32% YoY to INR4.6b. The key contributor to the outperformance was a 26% beat in net interest income.
- Volatility in the equity market led to a decline in the active client ratio to 33.6% in 3QFY23 from 36.2% in 2QFY23.
- Opex grew 21% YoY but were flat QoQ at INR2.65b (3% lower than our expectation), driven by a 43% YoY jump in employee costs. Other expenses grew 11% YoY to INR1.5b, but 5% lower than our estimate.
- CIR declined to 46% (better than our estimate of 50.5%) from 47.6% in 2QFY23. CIR improved 321bp YoY.
- The number of orders declined to 226m in 3QFY23 from 230m in 2QFY23.
- The board has recommended a dividend of INR9.6 per share.
- For 9MFY23, total income/PAT was at INR16.5b/INR6.2b representing a growth of 41%/48%.
- We have upgraded our FY23 EPS estimates by 7.6% to factor in higher-than-estimated interest income. For FY24/FY25, we have slightly adjusted our EPS estimates and raised our revenue per order forecasts for the cash and F&O segments while bringing down growth estimates for the number of orders for both the segments given weak trends. We maintain our BUY rating on the stock with a revised TP of INR2,100 (premised on 18x Sep'24E EPS).

## Beat on interest income; F&O share declines

- Operating revenue growth was healthy at 1% QoQ and 32% YoY to INR4.6b (6% ahead of our estimate), driven by healthy interest income. Gross broking business saw a decline of 1.7% QoQ due to a 1.7%/9.2% decline in F&O/Cash Broking revenue. Commodity revenue rose 22.9%. The share of the F&O segment in gross broking revenue remained flat at 82% in 3QFY23.
- On a quarterly basis, average revenue per client fell to INR390 in 3QFY23 from INR430 in 2QFY23.
- Other income was higher by 9%/20% QoQ/YoY.

## Lower Opex drives significant improvement in C/I ratio

- Total Opex was flat QoQ but grew 21% YoY to INR2.6b (3% lower than our estimates). A sharp decline in expenses led to a contraction in CIR to 46% from 49.3% YoY.
- Employee costs grew 43% YoY and 2% QoQ to INR1.1b (in line with our estimate). Administration costs declined 2% QoQ to INR1.5b (5% below our estimate).
- The sharp decline can be attributed to 1) lower marketing spends as reflected in the decline in client additions; and 2) a decline in customer acquisition costs.

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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.

**Highlights from management commentary**

- During 3QFY23, Angel One launched the Android version of its Super App. In spite of only 15% rollout in Dec'22, daily logins for Android is 1.2 times that of iOS in scale. The uptime in the Super App has been 100% and the activity has not seen any moderation.
- The company aims to reach 18-20% market share of NSE Active clients and 30-35% of ADTO in the next few years. This is driven by a change in the customer acquisition strategy from focusing on breakeven within 6 months to lifetime value of customers. The focus will be on penetrating markets selectively.
- An analysis of the past four years of customer data reveals that: 1) more than one year old customers are reporting an increase in volumes; 2) pockets of growth are coming from lower tier cities; 3) second year revenue from customers is at par or higher than year one revenue; and 4) nearly 80% of active customers are in the second year.

**Market share declines in F&O but improves in commodities**

- ADTO stood at INR14.5t, up 19% QoQ and more than doubled YoY. The market share declined to 21.6% in 3QFY23 from 21.7% in 2QFY23. The number of orders declined to 226m in 3QFY23 from 230m in 2QFY23.
- Its F&O market share inched down to 21.6% from 21.7% in 2QFY23. F&O ADTO grew 19% QoQ and 111% YoY to INR14.1t. The number of orders declined to 172m from 173m in 2QFY23. Revenue per order declined marginally to INR24.3 from INR24.6 in 2QFY23.
- Cash ADTO market share declined to 13.3% from 13.8% in 2QFY23. Cash ADTO also declined on a QoQ basis to INR36b (down 29% YoY). The number of orders fell 8% QoQ and 25% YoY to 44m. Revenue per order marginally declined by 1% QoQ to INR13.9.
- ANGELONE continued to strengthen its position in the Commodity segment as its market share expanded to 52.4% in 3QFY23 from 51.1% in 2QFY23.

**Retain BUY on attractive valuations**

ANGELONE is a perfect play on: 1) the financialization of savings and 2) digitization. It demonstrated a strong operating performance in 3QFY23 even during challenging market conditions. As guided, management continues to invest in technology and to strengthen its position. Considering the macro environment, most of the discount brokers are looking to reduce their investments toward client acquisitions to ensure healthy profitability. The investments can be scaled up when the environment turns conducive. We have upgraded FY23 earnings estimates by 7.6% to factor in higher-than-estimated interest income. For FY24/FY25, we have made minor changes in EPS estimates and raised our revenue per order forecasts for the cash and F&O segments while cutting growth estimates for the number of orders for both the segments given weak trends. We maintain our BUY rating on the stock with a revised TP of INR2,100 (premised on 18x Sep'24E EPS).

**Quarterly performance (INR m)**

Y/E March	FY22				FY23				FY22	FY23E	3Q	Act v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY23E	Est. (%)
Revenue from Operations	2,600	2,992	3,512	4,064	4,203	4,559	4,625	4,790	13,167	18,177	4,356	6.2
Other Income	807	888	936	1,031	948	1,029	1,126	1,059	3,662	4,162	1,048	7.4
<b>Total Income</b>	<b>3,407</b>	<b>3,880</b>	<b>4,448</b>	<b>5,095</b>	<b>5,151</b>	<b>5,588</b>	<b>5,751</b>	<b>5,848</b>	<b>16,829</b>	<b>22,338</b>	<b>5,404</b>	<b>6.4</b>
Change YoY (%)	110.4	83.3	100.5	68.9	51.2	44.0	29.3	14.8	87.6	32.7	21.5	36.2
Operating Expenses	1,744	2,040	2,191	2,298	2,660	2,662	2,648	2,686	8,273	10,655	2,729	-3.0
Change YoY (%)	88.9	89.9	94.6	48.0	52.5	30.5	20.9	16.9	76.9	28.8	24.6	-15.1
Depreciation	41	45	48	52	65	69	80	89	187	302	70	14.1
<b>PBT</b>	<b>1,622</b>	<b>1,795</b>	<b>2,209</b>	<b>2,744</b>	<b>2,427</b>	<b>2,857</b>	<b>3,023</b>	<b>3,074</b>	<b>8,369</b>	<b>11,381</b>	<b>2,605</b>	<b>16.0</b>
Change YoY (%)	151.1	80.1	111.2	92.8	49.6	59.2	36.9	12.0	103.5	36.0	17.9	105.4
Tax Provisions	408	451	562	696	611	721	739	775	2,117	2,845	651	13.4
<b>Net Profit</b>	<b>1,214</b>	<b>1,343</b>	<b>1,647</b>	<b>2,048</b>	<b>1,816</b>	<b>2,137</b>	<b>2,284</b>	<b>2,298</b>	<b>6,253</b>	<b>8,536</b>	<b>1,954</b>	<b>17.0</b>
Change YoY (%)	151.8	80.2	124.7	101.0	49.6	59.0	38.7	12.2	109.7	36.5	18.6	107.7
<b>Key Operating Parameters (%)</b>												
Cost to Income Ratio	51.2	52.6	49.3	45.1	51.6	47.6	46.0	45.9	49.2	47.7	50.5	-446bps
PBT Margin	47.6	46.3	49.7	53.9	47.1	51.1	52.6	52.6	49.7	50.9	48.2	436bps
Tax Rate	25.2	25.1	25.4	25.4	25.2	25.2	24.4	25.2	25.3	25.0	25.0	-57bps
PAT Margins	35.6	34.6	37.0	40.2	35.3	38.2	39.7	39.3	37.2	38.2	36.2	357bps
<b>Revenue from Operations (INR Mn)</b>												
Gross Broking Revenue	3,229	3,598	4,150	4,760	4,707	5,187	5,100	5,381	15,737	20,375	5,070	0.6
F&O	2,034	2,483	3,071	3,713	3,813	4,253	4,182	4,446	11,301	16,695	4,146	0.9
Cash	1,001	935	913	857	659	674	612	638	3,706	2,583	639	-4.2
Commodity	129	144	125	190	188	207	255	265	588	916	237	7.8
Currency	32	36	42	48	47	52	51	31	157	181	48	5.9
Net Broking Revenue	2,055	2,275	2,709	3,196	3,191	3,560	3,508	3,657	10,235	13,916	3,473	1.0
Net Interest Income	545	717	803	868	1,012	999	1,117	1,133	2,933	4,261	883	26.4
<b>Revenue from Operations Mix (%)</b>												
As % of Gross Broking Revenue												
F&O	63.0	69.0	74.0	78.0	81.0	82.0	82.0	82.6	71.8	81.9	81.8	0.3
Cash	31.0	26.0	22.0	18.0	14.0	13.0	12.0	11.9	23.6	12.7	12.6	-4.8
Commodity	4.0	4.0	3.0	4.0	4.0	4.0	5.0	4.9	3.7	4.5	4.7	7.2
Currency	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.6	1.0	0.9	0.9	5.3
Net Broking (As % Total Revenue)	79.0	76.0	77.1	78.6	75.9	78.1	75.8	76.4	77.7	76.6	79.7	-4.9
Net Interest Income (As % Total Revenue)	21.0	24.0	22.9	21.4	24.1	21.9	24.2	23.6	22.3	23.4	20.3	19.1
<b>Expense Mix (%)</b>												
Employee Expenses	33.2	33.0	34.8	31.9	37.3	40.1	40.8	40.8	33.2	39.8	39.6	3.2
Admin Cost	62.9	63.2	61.8	64.9	59.1	57.2	56.2	57.4	63.2	57.5	57.9	-2.9
Depreciation	2.3	2.2	2.2	2.2	2.4	2.5	2.9	3.2	2.2	2.8	2.5	17.1



## Highlights from management commentary

### Super App and new initiatives

- During 3QFY23, Angel One launched the android version of its Super App. In spite of only 15% rollout in Dec'22, daily logins for Android was 1.2 times that of iOS in scale. The uptime in the Super App has been 100% and the activity has not seen any moderation.
- The Play Store rating of 4.2 as of Dec'22 reflects the high level of acceptance
- During the quarter, MF services were introduced on all the three versions, while the revamped website saw higher traffic.

### Business

- The weakness in the number of orders was due to softening of markets; however, Angel One saw no major change in lots traded per customer.
- Rising interest rates have affected customer preference for direct equity, which is reflected in the slowing count of customer additions.
- T+1 settlement will be beneficial to customers from the perspective of pay-in and pay-out. This will impact the margin collection in the cash segment as margins for F&O are already on T+1.
- With the company in a growth phase, it will continue to invest in people, technology and hardware, along with maintaining OPM in the 45-50% range.
- The company aims to reach 18-20% market share of NSE Active clients and 30-35% of ADTO in the next few years. This is driven by a change in the customer acquisition strategy from focusing on breakeven within 6m to lifetime value of a customer. The focus will also be on penetrating markets selectively.
- Dec'22 was the second best month in terms of the number of orders and the best in terms of ADTO.
- New clients to market led to a decline in ARPU, otherwise revenue and clients are actually growing in numbers.
- The MF segment will be an enabler for customers to invest in schemes directly and Angel One will not charge any brokerage on investments made through the app.

### Customer behavior

- The behavior of customers acquired during the surge in IPO activities (LIC IPO) in the last fiscal has been worse when compared with regular customers of Angel One, which affected the activation ratio.
- An analysis of the past four years of customer data reveals that: 1) more than one year old customers are reporting an increase in volumes; 2) pockets of growth are coming from lower tier cities; 3) second year revenue of customers are at par or higher than year one revenue; and 4) nearly 80% of active customers are in the second year.

### Financials

- NIM was 8-9% and gross yields on the current funding book stood at 18%.
- A better yield (50-55bp) and higher quantum of deposits with exchanges of INR40-45b led to an increase in interest income.
- During 3Q/9MFY23, INR250m/INR700-800m was capitalised. Software/hardware are amortized over a period of 5/6 years.
- For 4QFY23/FY24, ESOP costs are estimated at INR160/500m.
- Operating profit margin is expected at 45-50%.

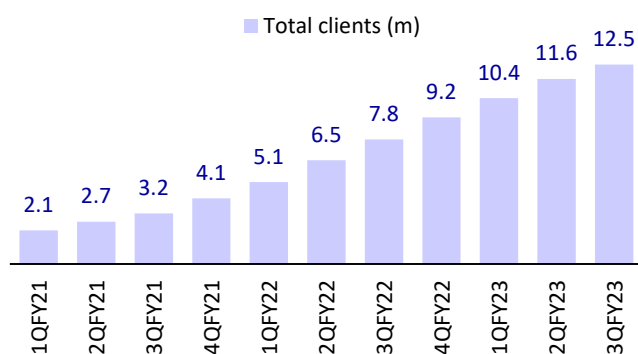
**Exhibit 1: Upgraded estimates to factor in strong 3QFY23 performance**

INR b	Old Est.			New Est.			Change (%)		
	FY23	FY24	FY25	FY23	FY24	FY25	FY23	FY24	FY25
Net Brokerage Income	13.8	15.1	17.5	13.9	15.1	17.4	1.1	0.0	-0.5
Net Interest Income	3.8	3.9	4.4	4.3	4.3	4.9	12.6	9.3	9.6
Other Income	4.2	5.1	6.2	4.2	5.1	6.1	0.0	-1.5	-1.1
<b>Total Income</b>	<b>21.7</b>	<b>24.2</b>	<b>28.1</b>	<b>22.3</b>	<b>24.4</b>	<b>28.4</b>	<b>2.9</b>	<b>1.2</b>	<b>1.0</b>
Operating Expenses	10.9	11.8	13.6	10.7	11.7	13.5	-1.9	-0.9	-1.1
<b>EBITDA</b>	<b>10.9</b>	<b>12.3</b>	<b>14.5</b>	<b>11.7</b>	<b>12.7</b>	<b>14.9</b>	<b>7.6</b>	<b>3.2</b>	<b>2.9</b>
<b>PBT</b>	<b>10.6</b>	<b>12.0</b>	<b>14.1</b>	<b>11.4</b>	<b>12.3</b>	<b>14.5</b>	<b>7.6</b>	<b>2.9</b>	<b>2.7</b>
Tax	2.6	3.0	3.5	2.8	3.1	3.6	7.6	2.9	2.7
<b>PAT</b>	<b>7.9</b>	<b>9.0</b>	<b>10.6</b>	<b>8.5</b>	<b>9.3</b>	<b>10.9</b>	<b>7.6</b>	<b>2.9</b>	<b>2.7</b>
C/I ratio	50.0	49.0	48.5	47.7	48.0	47.5	2.3	1.0	1.0
RoE	43.1	37.6	36.0	45.8	37.9	36.1	-2.8	-0.3	-0.2
Dividend payout ratio	35.0	35.0	50.0	35.0	35.0	50.0	0.0	0.0	0.0

Source: MOFSL, Company

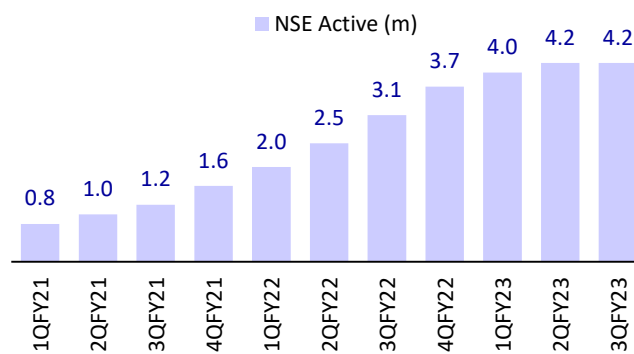
## Key exhibits

**Exhibit 2: Total clients continue to rise**



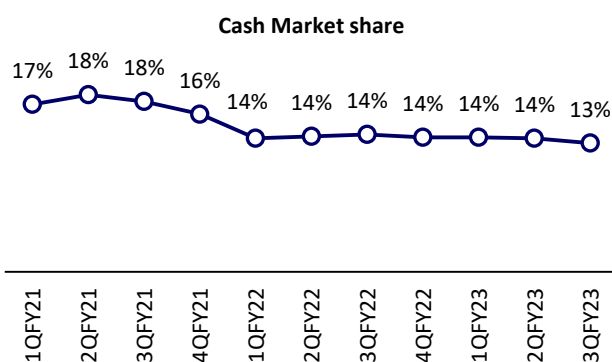
Source: MOFSL, Company

**Exhibit 3: NSE active clients flat**



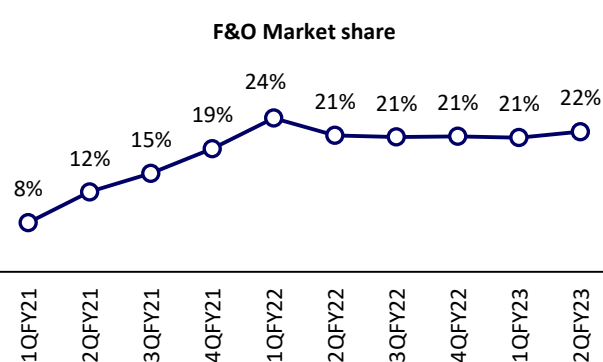
Source: MOFSL, Company

**Exhibit 4: Cash segment market share declines**



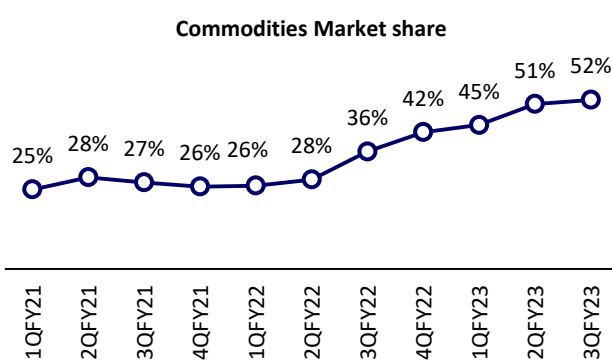
Source: MOFSL, Company

**Exhibit 5: F&O Market share improves marginally**



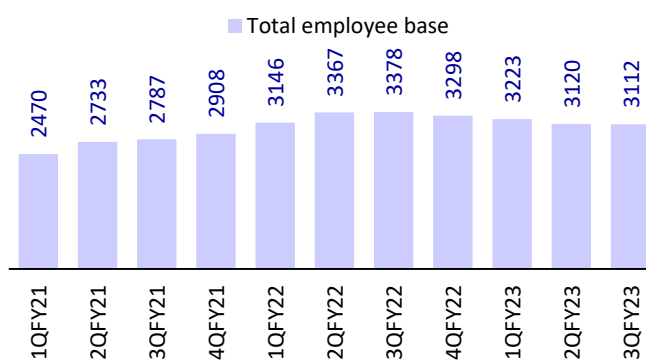
Source: MOFSL, Company

**Exhibit 6: Commodities market share improves further**

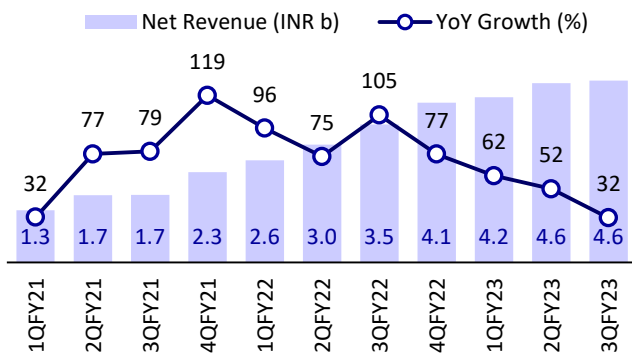
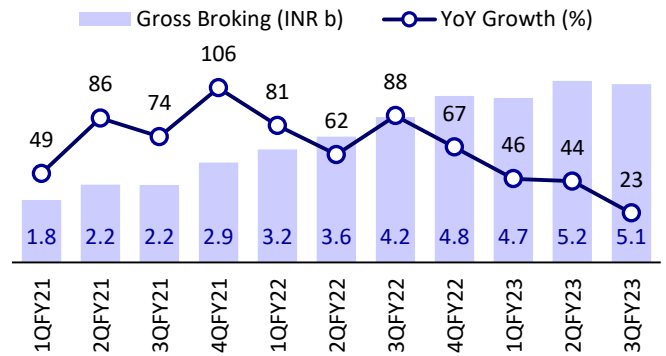
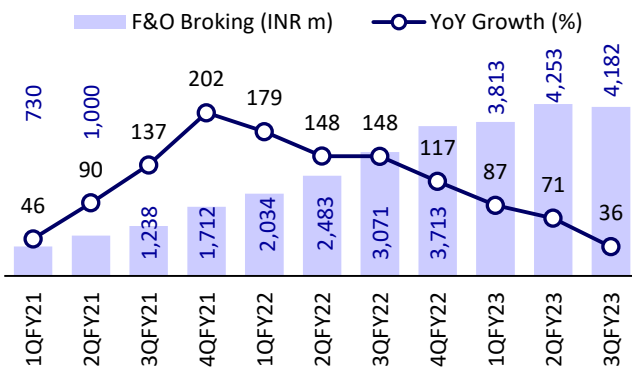


Source: MOFSL, Company

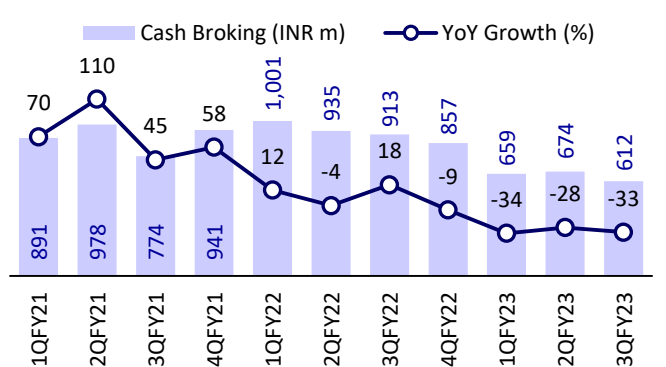
**Exhibit 7: Total employee base declines QoQ**



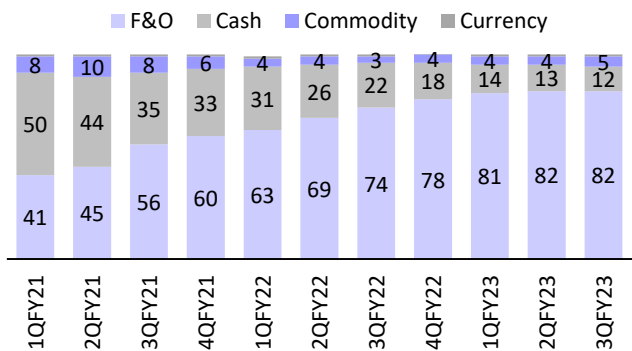
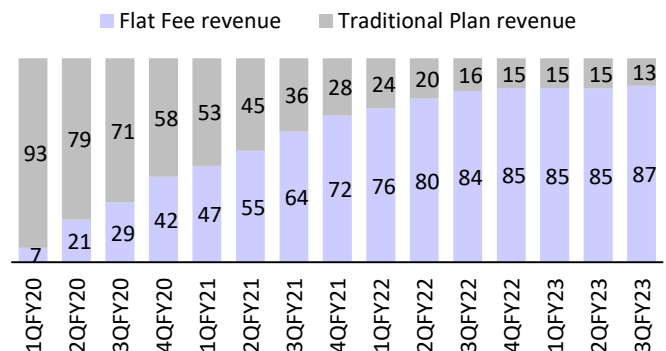
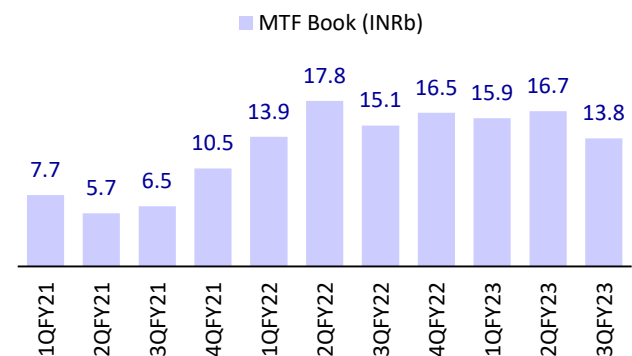
Source: MOFSL, Company

**Exhibit 8: Net revenue remains flat QoQ****Exhibit 9: Gross broking revenue sees flat trend****Exhibit 10: F&O growth momentum remains resilient**

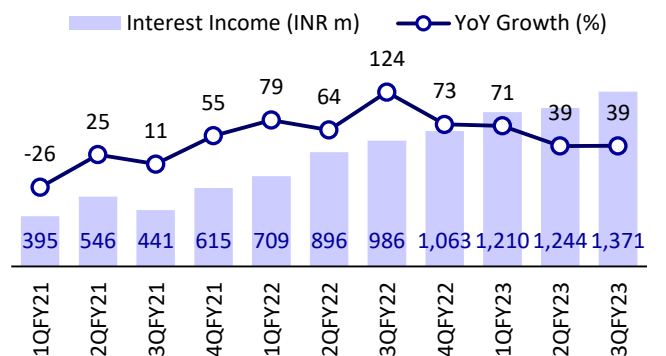
Source: MOFSL, Company

**Exhibit 11: Cash broking revenue declines**

Source: MOFSL, Company

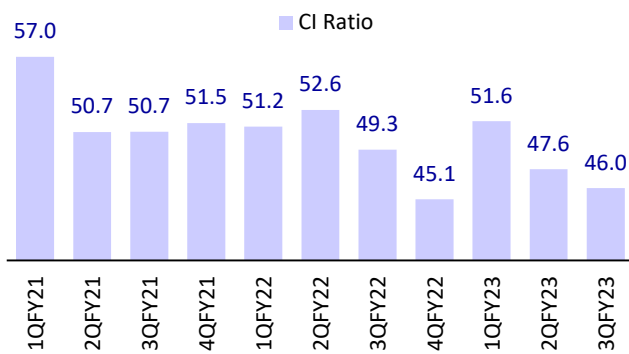
**Exhibit 12: Share of F&O in gross broking revenue remains flat****Exhibit 13: Share of flat fee model continues to rise****Exhibit 14: MTF book declines to INR13.8t (EOP)**

Source: MOFSL, Company

**Exhibit 15: Interest income remains strong**

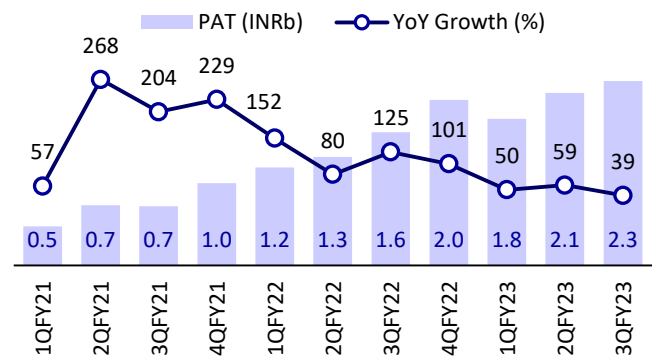
Source: MOFSL, Company

Exhibit 16: C-I ratio declines sequentially



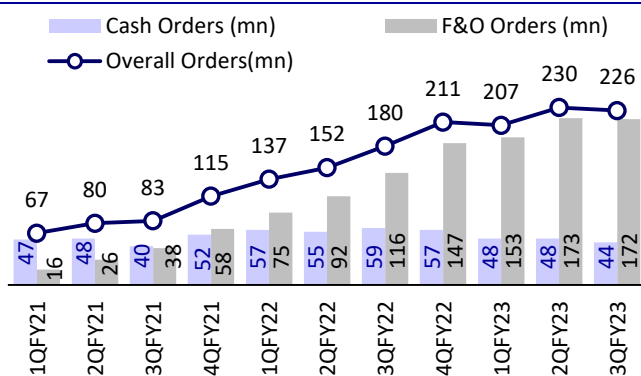
Source: MOFSL, Company

Exhibit 17: Trend in PAT growth



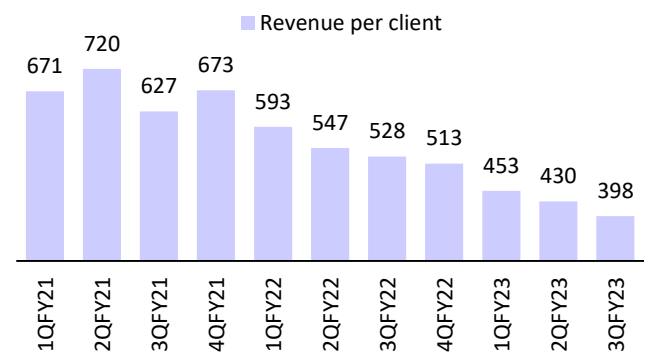
Source: MOFSL, Company

Exhibit 18: No. of orders declined marginally...



Source: MOFSL, Company

Exhibit 19: ... so did revenue per client



Source: MOFSL, Company



**Exhibit 20: Angel's average daily orders increased in 19 out of 23 instances, where either index corrected by >5% over the last 45 months**

Period	# of Trading Days	Fall in Nifty 50	Fall in Nifty MidCap 150	Fall in Nifty Bank	Change in Angel's Avg Orders
18 Apr - 15 May, 2019	17	-5.3%	-8.2%	-6.3%	0.8%
04 Jun - 19 Jun, 2019	11	-3.3%	-5.1%	-4.1%	-2.8%
05 Jul - 05 Aug, 2019	22	-9.1%	-11.7%	-12.1%	3.5%
24 Sep - 07 Oct, 2019	9	-4.1%	-6.1%	-9.2%	3.4%
03 Jan - 01 Feb, 2020	22	-5.1%	1.3%	-8.1%	11.2%
12 Feb - 23 Mar, 2020	27	-37.1%	-38.3%	-46.0%	18.8%
30 Mar - 03 Apr, 2020	4	-6.7%	-3.0%	-13.6%	5.5%
04 May - 18 May, 2020	11	-10.5%	-7.7%	-18.4%	2.8%
08 Jul - 15 Jul, 2020	6	-1.7%	-2.7%	-5.7%	2.5%
24 Jul - 03 Aug, 2020	7	-2.9%	-0.4%	-8.7%	1.1%
31 Aug - 24 Sep, 2020	19	-7.2%	-6.8%	-16.6%	-3.1%
15 Jan - 29 Jan, 2021	10	-6.6%	-5.4%	-6.0%	10.9%
16 Feb - 26 Feb, 2021	9	-5.1%	0.8%	-6.7%	7.8%
04 Mar - 12 Apr, 2021	25	-6.1%	-5.1%	-15.3%	2.1%
19 Oct - 30 Nov, 2021	29	-8.1%	-8.1%	-10.1%	10.1%
09 Dec - 20 Dec, 2021	8	-4.9%	-5.6%	-7.6%	-1.2%
13 Jan - 24 Jan, 2022	8	-5.8%	-7.1%	-4.6%	14.8%
03 Feb - 24 Feb, 2022	16	-8.6%	-13.1%	-10.4%	4.7%
28 Feb - 07 Mar, 2022	5	-4.8%	-3.9%	-9.8%	2.1%
05 Apr - 13 May, 2022	26	-12.6%	-11.2%	-14.3%	3.1%
31 May - 17 Jun, 2022	14	-8.2%	-7.9%	-8.6%	-7.3%
14 Sep - 29 Sep, 2022	12	-6.9%	-6.2%	-7.9%	17.1%
02 Dec - 23 Dec, 2022	16	-5.3%	-6.6%	-3.7%	11.5%

Source: MOFSL, Company

## Financials and valuation

### Income Statement

Y/E March	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Total Income</b>	<b>4,433</b>	<b>4,723</b>	<b>4,721</b>	<b>8,971</b>	<b>16,827</b>	<b>22,338</b>	<b>24,435</b>	<b>28,384</b>
Change (%)	37.9	6.5	0.0	90.0	87.6	32.8	9.4	16.2
Gross Brokerage Income	4,785	5,014	5,039	9,065	15,737	20,375	23,181	26,804
Less - Brokerage / direct expenses	2,464	2,420	2,304	3,630	5,502	6,459	8,105	9,372
Net Brokerage Income	2,321	2,595	2,735	5,436	10,235	13,916	15,076	17,432
Interest income	2,038	1,696	1,254	1,998	3,653	5,216	5,399	6,024
Less - Finance costs	947	666	489	389	721	956	1,090	1,160
Net Interest income	1,091	1,031	765	1,609	2,932	4,261	4,309	4,864
Other Income	1,021	1,098	1,221	1,927	3,661	4,162	5,051	6,088
<b>Operating Expenses</b>	<b>2,701</b>	<b>3,245</b>	<b>3,142</b>	<b>4,675</b>	<b>8,273</b>	<b>10,655</b>	<b>11,729</b>	<b>13,482</b>
Change (%)	3.9	20.2	-3.2	48.8	76.9	28.8	10.1	15.0
Employee expenses	1,245	1,593	1,598	1,718	2,809	4,356	4,643	5,251
Admin expense	1,456	1,652	1,544	2,957	5,464	6,299	7,086	8,231
<b>Operating Margin</b>	<b>1,732</b>	<b>1,478</b>	<b>1,578</b>	<b>4,296</b>	<b>8,554</b>	<b>11,683</b>	<b>12,706</b>	<b>14,901</b>
Depreciation	145	188	209	184	187	302	372	380
Exception	0	0	166	0	0	0	0	0
<b>Profit Before Tax</b>	<b>1,587</b>	<b>1,290</b>	<b>1,204</b>	<b>4,112</b>	<b>8,367</b>	<b>11,381</b>	<b>12,334</b>	<b>14,521</b>
Change (%)	231.3	-18.7	-6.7	241.6	103.5	36.0	8.4	17.7
Tax	508	448	320	1,131	2,117	2,845	3,084	3,630
Tax Rate (%)	32.0	34.7	26.6	27.5	25.3	25.0	25.0	25.0
<b>PAT</b>	<b>1,079</b>	<b>842</b>	<b>884</b>	<b>2,981</b>	<b>6,251</b>	<b>8,536</b>	<b>9,251</b>	<b>10,891</b>
Change (%)	248.0	-22.0	5.0	237.3	109.7	36.6	8.4	17.7
Dividend	235	234	227	1,056	2,245	2,988	3,238	5,445

### Balance Sheet

(INR m)

Y/E March	2018	2019	2020	2021	2022	2023E	2024E	2025E
Equity Share Capital	720	720	720	818	829	829	829	829
Reserves & Surplus	4,029	4,765	5,427	10,492	15,015	20,563	26,576	32,022
<b>Net Worth</b>	<b>4,749</b>	<b>5,485</b>	<b>6,147</b>	<b>11,310</b>	<b>15,844</b>	<b>21,392</b>	<b>27,405</b>	<b>32,850</b>
Borrowings	11,223	8,666	4,880	11,715	12,577	15,577	16,577	17,577
Other Liabilities	7,702	8,018	11,043	25,114	43,777	61,261	86,546	1,04,578
<b>Total Liabilities</b>	<b>23,674</b>	<b>22,168</b>	<b>22,070</b>	<b>48,138</b>	<b>72,198</b>	<b>98,231</b>	<b>1,30,528</b>	<b>1,55,006</b>
Cash and Investments	9,330	10,134	14,607	18,830	48,936	70,928	1,02,097	1,23,326
Change (%)	39.9	8.6	44.1	28.9	159.9	44.9	43.9	20.8
<b>Loans</b>	<b>11,309</b>	<b>7,617</b>	<b>2,806</b>	<b>11,285</b>	<b>13,575</b>	<b>17,931</b>	<b>18,559</b>	<b>20,709</b>
Change (%)	748.3	-32.6	-63.2	302.2	20.3	32.1	3.5	11.6
Net Fixed Assets	1,158	1,181	1,104	1,150	1,638	2,518	2,573	2,628
Current Assets	1,877	3,236	3,553	16,873	8,050	6,853	7,299	8,343
<b>Total Assets</b>	<b>23,674</b>	<b>22,168</b>	<b>22,070</b>	<b>48,138</b>	<b>72,199</b>	<b>98,231</b>	<b>1,30,528</b>	<b>1,55,006</b>

E: MOSL Estimates

## Financials and valuation

<b>Ratios</b>	<b>(%)</b>							
<b>Y/E March</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
As a percentage of Revenues								
Net Brokerage Income	52.3	54.9	57.9	60.6	60.8	62.3	61.7	61.4
Net Interest Income	24.6	21.8	16.2	17.9	17.4	19.1	17.6	17.1
Other Income	23.0	23.2	25.9	21.5	21.8	18.6	20.7	21.4
<b>Total cost</b>	<b>60.9</b>	<b>68.7</b>	<b>66.6</b>	<b>52.1</b>	<b>49.2</b>	<b>47.7</b>	<b>48.0</b>	<b>47.5</b>
Employee Cost	28.1	33.7	33.9	19.2	16.7	19.5	19.0	18.5
Opex (ex emp) Cost	32.8	35.0	32.7	33.0	32.5	28.2	29.0	29.0
<b>PBT</b>	<b>35.8</b>	<b>27.3</b>	<b>25.5</b>	<b>45.8</b>	<b>49.7</b>	<b>50.9</b>	<b>50.5</b>	<b>51.2</b>
<b>PAT</b>	<b>24.3</b>	<b>17.8</b>	<b>18.7</b>	<b>33.2</b>	<b>37.1</b>	<b>38.2</b>	<b>37.9</b>	<b>38.4</b>
<b>Profitability Ratios (%)</b>								
RoE	25.0	16.5	15.2	34.2	46.0	45.8	37.9	36.1
Dividend Payout Ratio	21.8	27.8	25.7	35.4	35.9	35.0	35.0	50.0
<b>Valuations</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>
BVPS (INR)	57.3	66.2	74.2	136.5	191.2	258.2	330.7	396.5
Change (%)	22.0	15.5	12.1	84.0	40.1	35.0	28.1	19.9
Price-BV (x)	<b>22.5</b>	<b>19.5</b>	<b>17.4</b>	<b>9.5</b>	<b>6.8</b>	<b>5.0</b>	<b>3.9</b>	<b>3.3</b>
EPS (INR)	13.0	10.2	10.7	36.0	75.4	103.0	111.6	131.4
Change (%)	248.0	-22.0	5.0	237.3	109.7	36.6	8.4	17.7
Price-Earnings (x)	<b>99.2</b>	<b>127.2</b>	<b>121.1</b>	<b>35.9</b>	<b>17.1</b>	<b>12.5</b>	<b>11.6</b>	<b>9.8</b>
DPS (INR)	3.3	3.3	3.2	12.9	27.1	36.1	39.1	65.7
Dividend Yield (%)	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>1.0</b>	<b>2.1</b>	<b>2.8</b>	<b>3.0</b>	<b>5.1</b>

E: MOSL Estimates

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

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