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March 2026

Prudent Corporate Advisory Services (PRUDENT IN)

Size and distribution to drive market share gains

Rating: BUY | CMP: INR 2,225 | TP: INR 2,600

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Quick Pointers

- MF industry indirect equity AuM slated to grow at 18-20%
- Scale with technology edge could help in new TER regime
- PRUDENT has the ability to pass on commission cuts

We initiate coverage on PRUDENT with 'BUY', valuing at multiple of 31x on Mar'28 core EPS to arrive at TP of INR 2,600. We are optimistic about its business prospects given (1) indirect equity AuM (76% share) for the MF industry is slated to grow at 18-20% on low MF penetration, (2) it is the 5th largest distributor with technology and distribution edge, which could bode well in the new TER regime, under which the industry could see consolidation, (3) pricing power has shifted from banks to MFDs as the latter are scaling up faster (4) AuM is distributed with top-8 AMCs contributing 68%, thereby partially mitigating performance risk that AMCs are exposed to, and (5) it has ability to pass on the impact of commission cuts. Currently, stock is valued at 25.6x on Mar'28 core EPS.

Indirect equity AuM growing at healthy CAGR of ~21%: Indian MF industry is still in infancy and there is significant scope for growth as penetration is low at ~8%. While direct equity AuM has been growing at a faster pace, ~35% CAGR over FY19 to Feb'26, indirect still constitutes 76% of equity AuM, indicating 21.5% CAGR. Hence, indirect equity AuM is slated to grow consistently at 18-20% over the medium to long term.

MF growth to drive distribution revenue: PRUDENT mainly follows a B2B model; 91bps is earned from AMC and ~65% (58bps) is passed on to MFDs. Share of B2B in AuM was 90% as of Dec'25 and 90% of volumes originate online. In 9MFY26, MF distribution fees contributed ~86% to revenue. Technology has been a moat for PRUDENT, which helps MFDs to complete KYC & onboarding, and facilitates buying of bonds, insurance, etc.

5th largest distributor; decadal AuM CAGR of 32%: Being the 5th largest distributor as per FY25 data with total fees of INR 10.6bn and AAuM of INR 996bn after NJ, SBI, HDFC Group and ICICI Group, top 8 AMCs contribute 68% to overall AuM compared to 63% for NJ, 78% for HDFC Group, 81% for ICICIB Group and 99% for SBI MF. It charges a high gross commission of 106bps vs 115bps for NJ; 109bps, Anand Rathi; and 82bps, AXSB.

Pricing power shifts to MFDs from banks: Pricing power has shifted from banks to MFD. Over FY14-19, banca-based AAuM increased at a faster pace of 23.5% CAGR vs 18% for MFDs. Hence, banca avg. yield was 85bps compared to 72 bps for MFDs. However, over FY20-25, MFD-related AAuM increased at a faster pace of 23% CAGR, while banca slowed down to 14.7%. Avg. MFD yields rose to 80bps, while banca yields fell to 64bps.

Ability to pass on commission cuts: PRUDENT has passed on 70% of AMC commission cut (since Aug'24). Though, yields have remained stable YoY since incremental business (25% of AuM) is higher yielding. Impact of the 5bps exit load removal and 10bps GST cut could be negative ~2bps. PRUDENT can manage this hit by passing on commission cut as done in the past while newer flows have higher yields. Hence, EBITDA margins may remain steady at 24%. We see a core PAT CAGR of ~22% over FY26-28E.

Key Data

PRUE.BO | PRUDENT IN

BSE Code	543527
NSE Code	PRUDENT
52-W High / Low	INR 3,098 / INR 1,722
Face Value	5
Sensex / Nifty	73,583 / 22,820
Market Cap	INR 92 bn / \$ 971 mn
Shares Outstanding	41.41 mn
3M Avg. Daily Value	INR 103.61 mn

Shareholding Pattern (%)

Promoters	55.31
FII	16.32
MF	20.20
DII	1.93
Public & Others	6.24
Promoters Pledge (Rs bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(5.3)	(14.0)	(12.8)	(4.3)
Relative	4.6	(0.7)	(4.7)	0.9

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
AAuM (INR mn)	996,605	1,215,740	1,490,770	1,792,361
Revenue (INR mn)	10,959	13,074	15,765	18,850
Opex (INR mn)	2,030	2,362	2,866	3,346
Commission (INR mn)	6,380	7,697	9,243	11,113
Employee (INR mn)	1,108	1,397	1,708	2,014
Others (INR mn)	922	965	1,158	1,332
Core Inc. (INR mn)	2,323	2,762	3,377	4,085
PAT (INR mn)	1,957	2,341	2,948	3,637
Core PAT (INR mn)	1,734	2,059	2,533	3,063
Core EPS (INR)	41.9	49.7	61.2	74.0
Growth (%)	39.7	18.7	23.0	21.0
Core RoE (%)	32.7	29.1	27.5	26.1
P/Core EPS (x)	50.0	41.1	32.3	25.7

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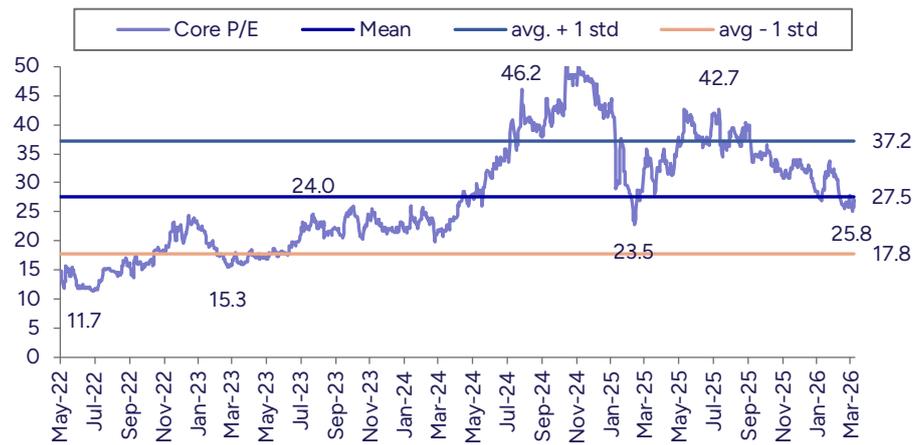
Exhibit 1: Peer Comparison

Company	CMP	MCap (Rs bn)	Revenue (Rs bn)				Core Income (Rs bn)				Core EPS				Core P/E		
			FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
PRUDENT	2,215	92	11.0	13.1	15.8	18.8	2.3	2.8	3.4	4.1	41.9	49.7	61.2	74.0	40.9	32.2	25.6
IPRUAMC	2,869	1,440	43.6	53.7	63.6	74.3	32.4	41.7	49.6	58.3	49.1	63.5	75.3	88.5	43.9	36.8	31.1
HDFCAMC	2,315	1,032	35.0	41.4	47.9	54.3	27.3	32.4	37.7	43.0	47.7	58.5	67.1	76.4	33.6	29.7	26.0
NAM	829	548	22.3	26.8	31.7	36.0	14.0	17.2	20.6	23.4	16.8	20.5	24.7	28.1	37.4	30.8	26.8
ABSLAMC*	903	226	16.6	18.5	21.4	24.4	9.4	10.8	12.5	14.3	24.3	28.2	32.6	37.3	26.7	22.5	19.3
UTIAMC	944	133	14.5	15.7	17.1	19.0	6.4	5.2	7.6	8.9	38.5	32.1	46.4	54.0	16.3	10.7	8.7
CRAMC	232	51	3.6	4.2	4.5	5.1	2.2	2.3	2.6	2.9	8.1	9.1	10.9	13.0	22.6	19.7	16.9

Source: Company, PL

* Bloomberg consensus

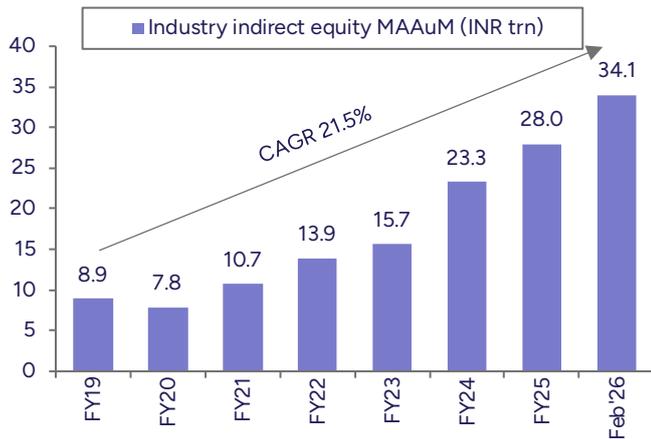
Exhibit 2: Prudent trading at ~26x i.e. near its average P/core EPS multiple of 27.5x



Source: Company, PL

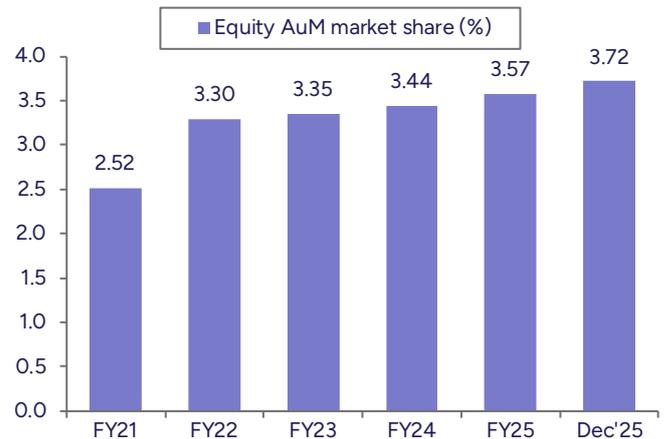
Story in Charts

Exhibit 4: Industry indirect equity AuM likely to grow at 18-20%



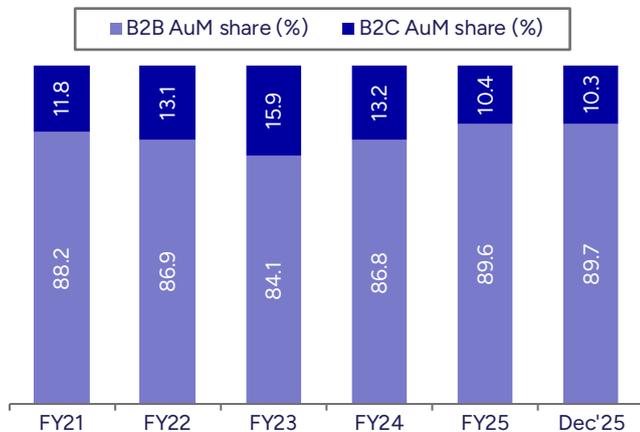
Source: AMFI, PL

Exhibit 5: Equity AuM market share consistently increasing



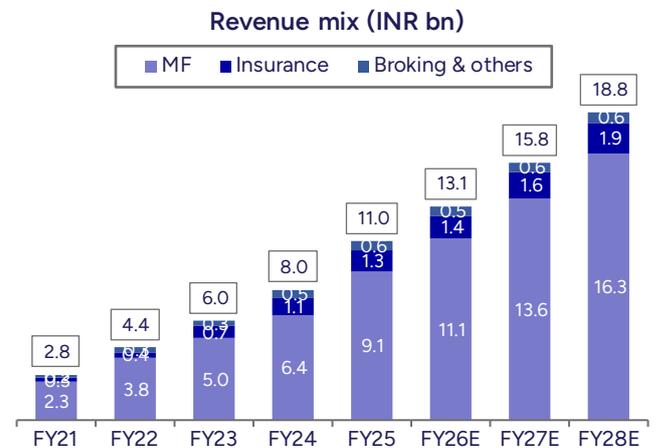
Source: AMFI, Company, PL. Note: MS-Market Share

Exhibit 6: B2B AuM share at ~90% a key differentiator



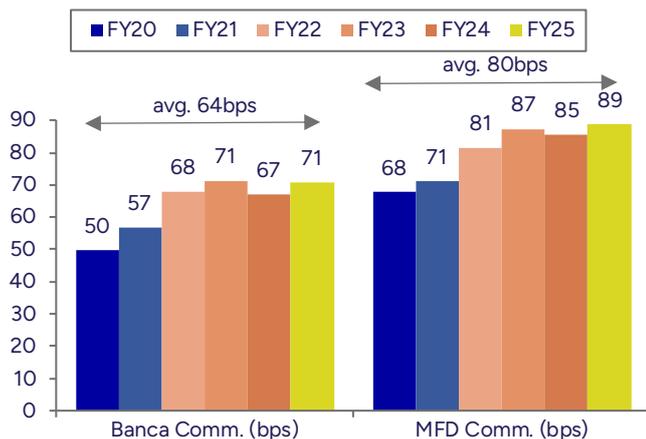
Source: Company, PL

Exhibit 7: MF fees contribution at 85%; revenue to grow at 20% CAGR



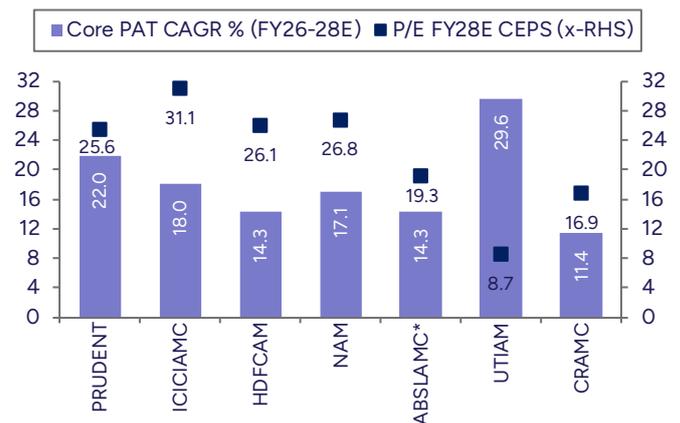
Source: AMFI, Company, PL

Exhibit 8: Pricing power shifted from banca to MFDs over FY20-25



Source: AMFI, PL

Exhibit 9: Higher core PAT CAGR compared to listed AMC's



Source: Company, PL * Bloomberg consensus

PRUDENT – Proxy play on Indian equities

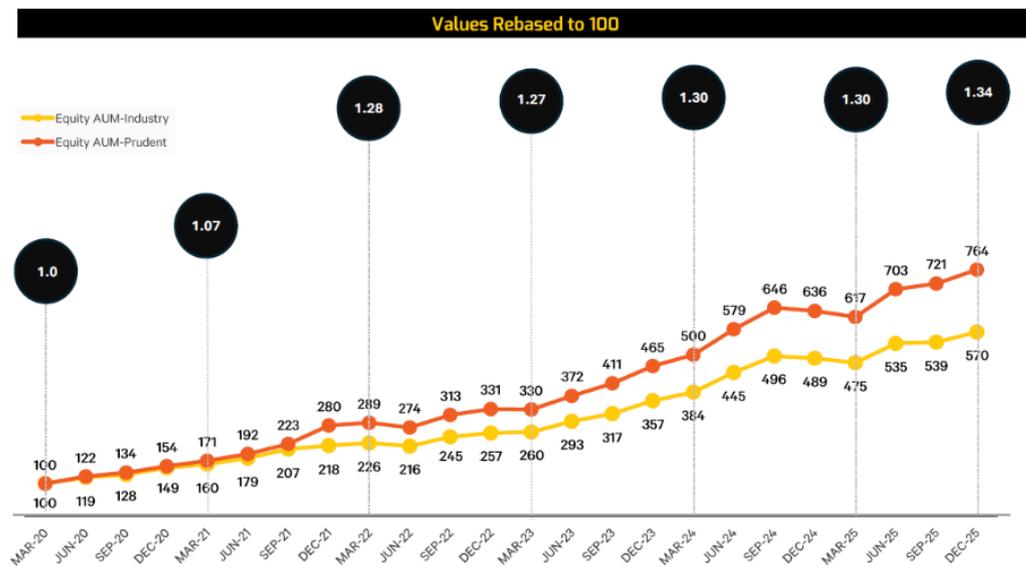
Prudent Corporate Advisory (PRUDENT) commenced operations in Jun'03. It operates as an independent, retail focused wealth management services group, offering a technology-enabled B2B2C investment distribution platform. It provides end-to-end solutions across financial products distribution like MFs, insurance, PMS/AIFs, bonds, FDs, NPS, stock broking, unlisted securities and smallcase.

Mr. Sanjay Shah is the promoter, who holds 41.96% stake, while key shareholders include Zulia Investments Pte Ltd (6.69%), Ms. Maitry Shah (6.67%) and Ms. Sakhi Shah (6.67%). The company has nationwide presence with **143 branches across 21 states**, servicing **2.04mn retail investors** through **35,975 MFDs** as of Dec'25.

PRUDENT is among the **top MFDs** in India in terms of AAuM and commissions earned. Total MF AuM stood at INR 1,299.65bn as of Dec'25. The company's SIP book consisted of INR 9.81bn SIPs, contributing monthly flows of INR 11.35bn. PRUDENT has 2.04mn unique investors. The company distributes insurance products through **Gennext Insurance Brokers** and offers stock-broking and digital wealth services via **FundzBazar**.

PRUDENT was the **5th-largest MFD** in FY25, with CAMS ranking it **4th in retail AuM** and **5th in retail net sales** as of Dec'25. It continues to deliver good financial performance, reporting **PAT of INR 1.63bn in 9MFY26**, compared to **INR 1.44bn in 9MFY25**. Growth has been driven by expanding MFD base, rising retail penetration, and scale benefits from its tech-enabled platform.

Exhibit 3: Prudent equity AUM growing faster than industry equity AUM



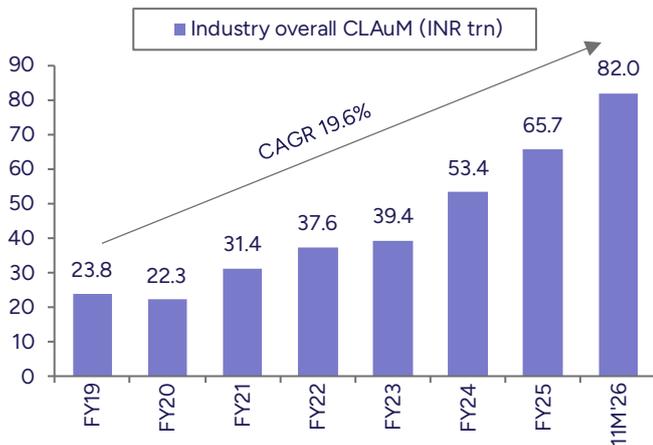
Source: Company, PL

Investment Arguments

Direct/indirect equity AuM growing at 35%/21% CAGR

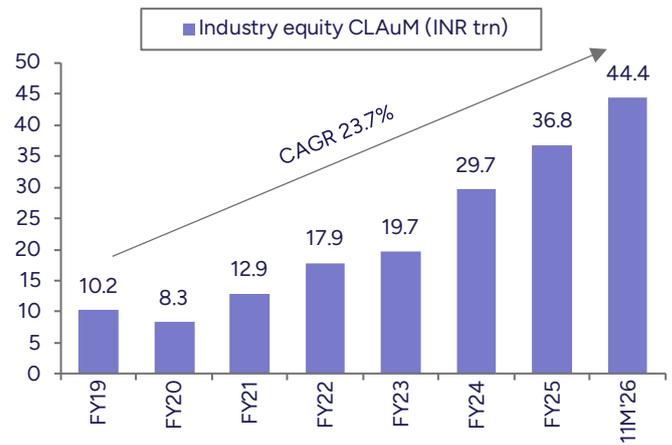
As of Feb'26, closing AuM of the Indian MF industry was INR 82.03trn, with equity (including balanced) making up for 54% or INR 44.4trn. From FY19 to 11MFY26, overall closing AuM saw a 20% CAGR with equity closing AuM growing at a healthy CAGR of 23.7%. 49% of the equity growth was attributable to net flows with the remaining 51% made up by MTM gains. However, India's MF penetration (AuM-to-GDP) at ~18% is lower than 74% for the world, 131.7% for the US, 77.5% for Brazil, 60.1% for Japan, 54.5% for South Africa, and 22% for China.

Exhibit 10: Overall MF AuM grows 20% CAGR to INR 82trn



Source: Company, PL

Exhibit 11: Equity MF AuM grows 24% CAGR to INR 44trn

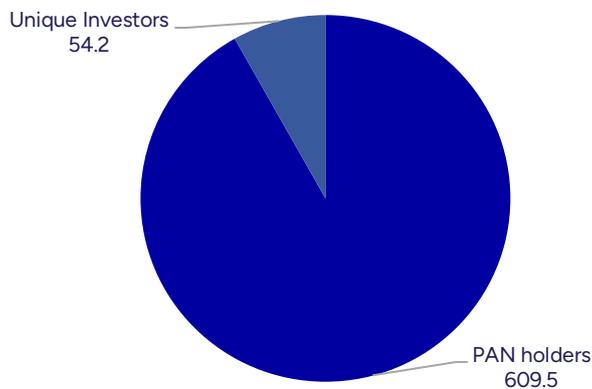


Source: Company, PL

This indicates that Indian MF industry is still in infancy and there is significant scope for growth. While number of unique investors in MFs has more than tripled from 17mn in Mar'18 to 60mn as of Jan'26, penetration is low at ~8% (of unique PAN holders linked to Aadhaar), suggesting significant growth potential.

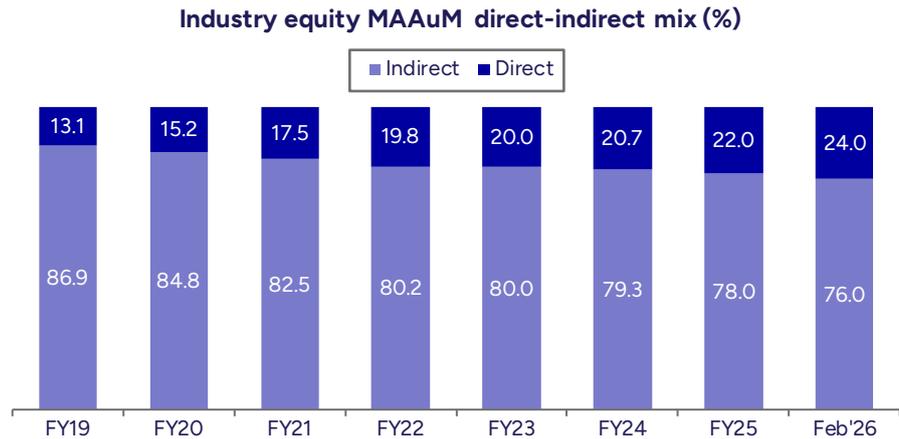
Exhibit 12: MF penetration in India still low at 8%

MF Penetration on total PANs linked to Aadhar (663.7mn)



Source: PL

Exhibit 13: Direct share in equity growing at a faster pace; indirect share at 76%

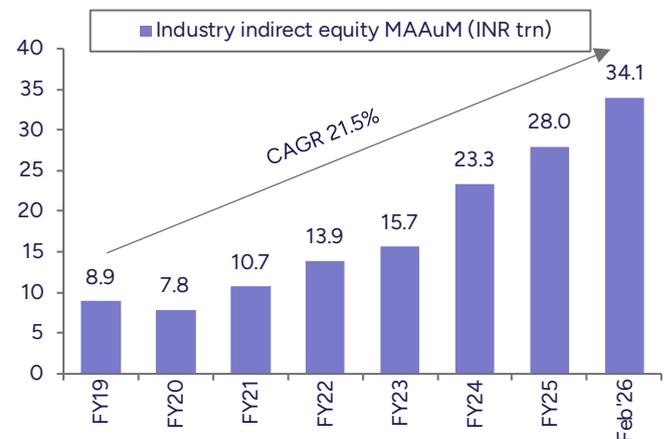
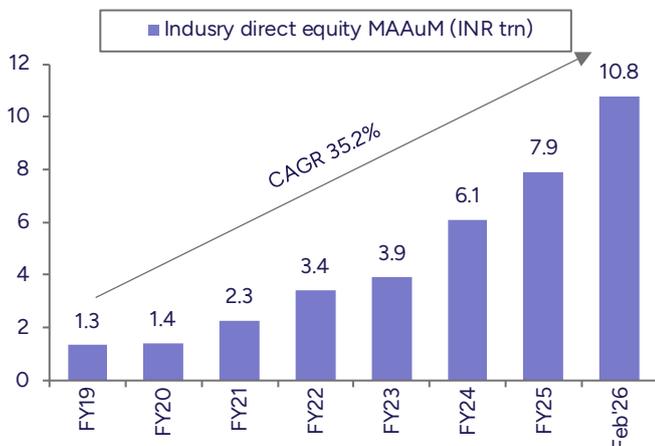


Source: AMFI, PL

While direct equity AuM is accelerating (~35% CAGR from FY19 to Feb'26), which resulted in its share increasing from 13% to 24%, indirect still constitutes 76% of equity AuM, indicating 21.5% CAGR. Hence, indirect equity AuM is slated to grow consistently at 18-20% CAGR over the long term, despite increasing share of direct.

Exhibit 14: Direct equity grows by 35% CAGR

Exhibit 15: Indirect equity growth at 21.5% CAGR



Source: AMFI, PL

Source: AMFI, PL

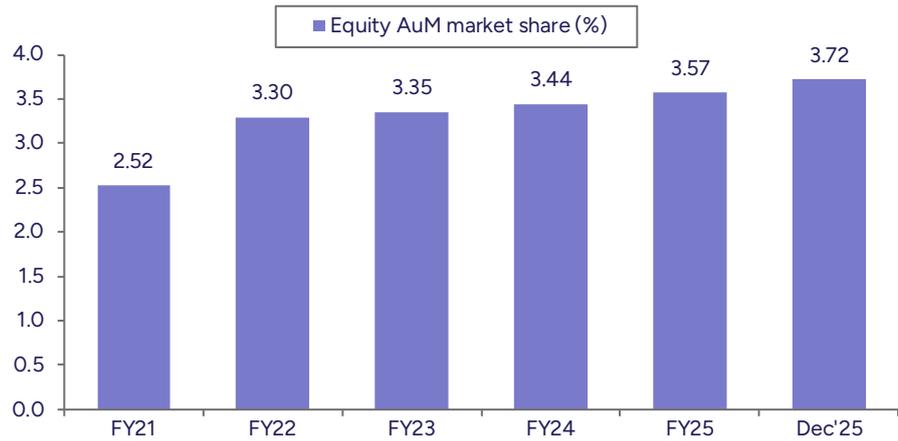
MF growth to drive distribution revenue (85% share)

PRUDENT followed B2C model earlier, which was not scalable since replacing RMs is difficult once they quit and they poach clients. As a result, PRUDENT started focusing on B2B. 91-92bps is earned from AMC and 65% (58bps) is passed on to MFDs. Due to greater focus on B2C, its share increased from 84% in FY23 to ~90% as of Dec'25. Also, 90% of incremental volume comes from online mode.

Technology has been a moat for PRUDENT. It launched a funds-bazaar app in 2015, similar to competitors like Groww and Angel One, which helps MFDs to complete KYC & onboarding while facilitating buying of bonds and insurance. Real adoption of the app by MFDs was seen only after COVID as clients did not fill physical forms.

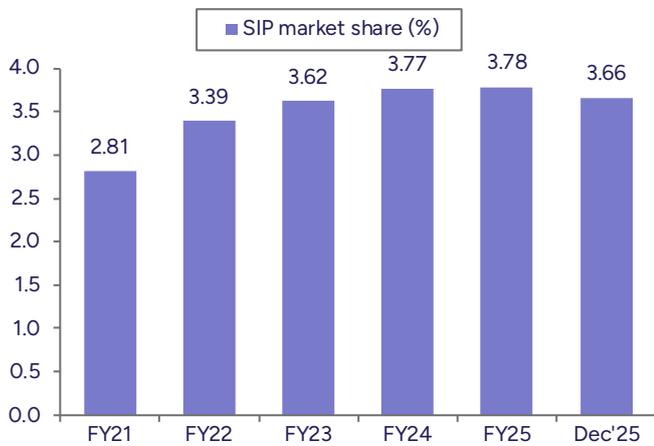
PRUDENT's partner desk platform was made for MFDs to extract valuation and taxation reports for clients, which also includes marketing content. MFDs are mostly part-time wealth advisors, and require hand holding; hence, PRUDENT's physical footprint in terms of branches spread across India helps.

Exhibit 16: Equity AuM market share rising, touches 3.72% in Dec'25



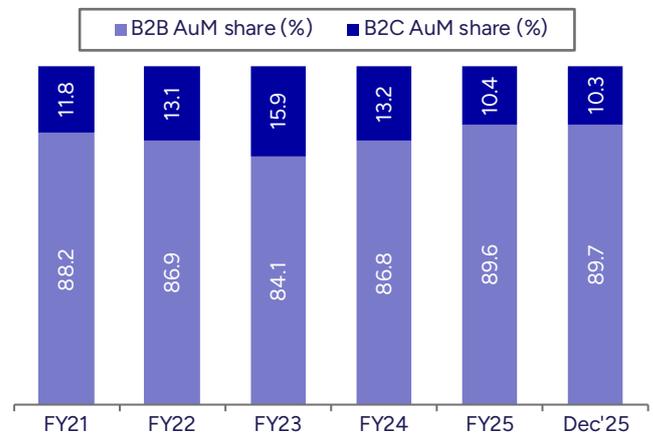
Source: AMFI, Company, PL

Exhibit 17: SIP market share at 3.7% as of Dec'25



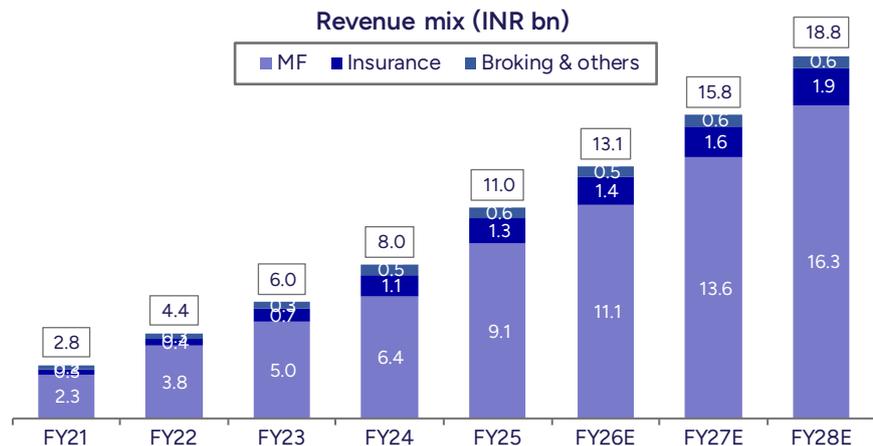
Source: Company, PL

Exhibit 18: B2C AuM at ~90% as of Dec'25



Source: Company, PL

Exhibit 19: MF distribution fees accounts for lion's share of revenue at 85%; overall revenue to see 20% CAGR



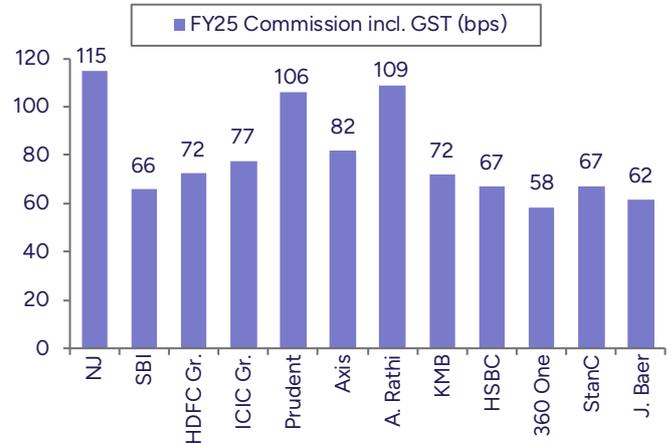
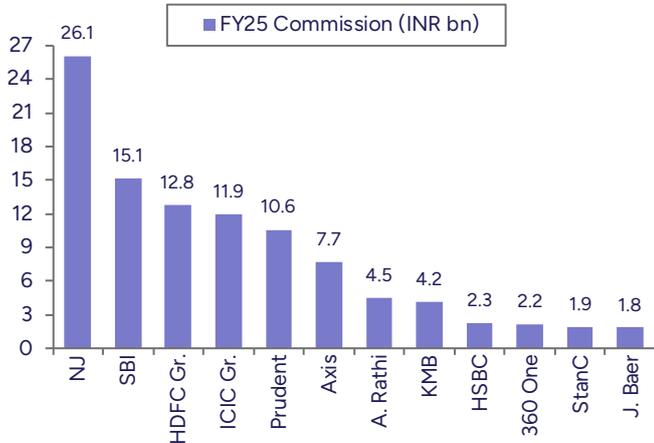
Source: Company, PL

5th largest distributor with decadal AuM CAGR of 32%

PRUDENT is the 5th largest distributor as of FY25 as per total commission earned and AAuM after NJ, SBI, HDFC Group, and ICICI Group. As per AMFI disclosure for FY25, its commission was INR 10.6bn with AAuM of INR 996bn. Top 8 AMC's in terms of equity AuM contributed 68% to overall AuM as of FY25 for PRUDENT compared to 63% for NJ, 78% for HDFC Group, 81% for ICICI Group, and 99% for SBI MF.

Exhibit 20: 5th highest in commission earned in FY25

Exhibit 21: 3rd highest commission yield, incl GST, in FY25



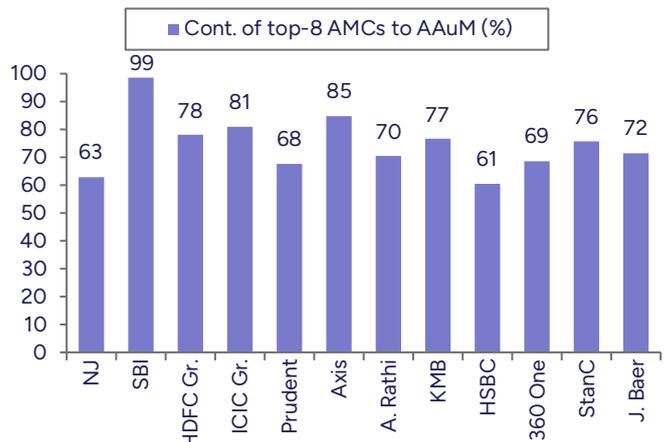
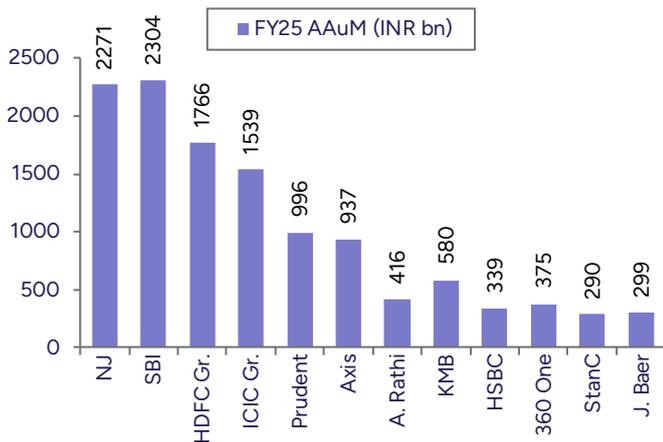
Source: AMFI, PL

Source: AMFI, PL

In terms of distribution commission, PRUDENT charges one of the highest gross commissions (incl. GST) of 106bps compared to 115bps in case of NJ, 109bps in case of Anand Rath, and 82bps for Axis Bank. PRUDENT saw net inflows of INR 135.5bn in FY25, the 4th highest in the industry after NJ, HDFC Group, and ICICI Group.

Exhibit 22: 5th largest AAuM at ~INR 1trn for FY25

Exhibit 23: MFDs have more diversified AuM mix vs. banca



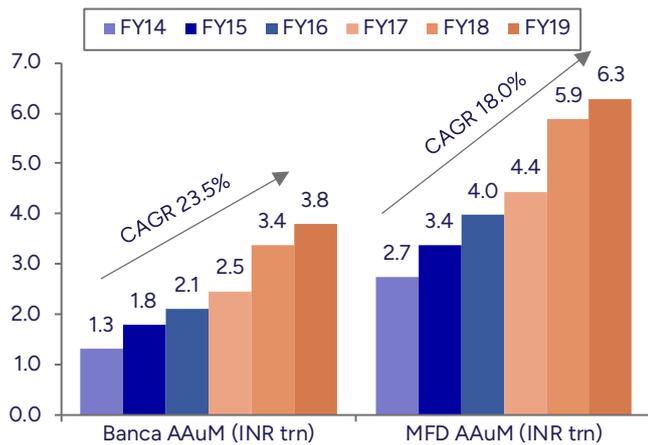
Source: AMFI, PL

Source: AMFI, PL

Bargaining/pricing power shifts from banks to MFDs

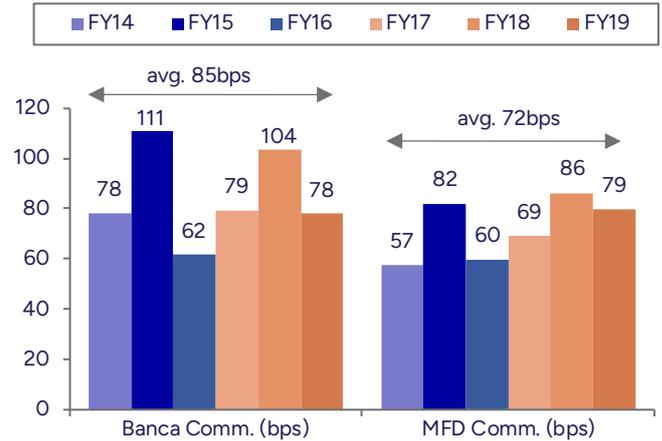
Due to higher share of indirect in equity AuM, distributors have a higher bargaining power as indicated by the yields charged as per commission disclosures. However, within distributors, pricing power has shifted from banks to MFDs over the last 11 years. Over FY14-19, banca-based AAuM increased at a faster pace of 23.5% CAGR compared to 18% in case of MFDs. Hence, commission rate for banca during this phase was higher; average yield was 85.2bps compared to 72.2bps for MFDs.

Exhibit 24: Banca AAuM grows at faster pace over FY14-19



Source: AMFI, PL

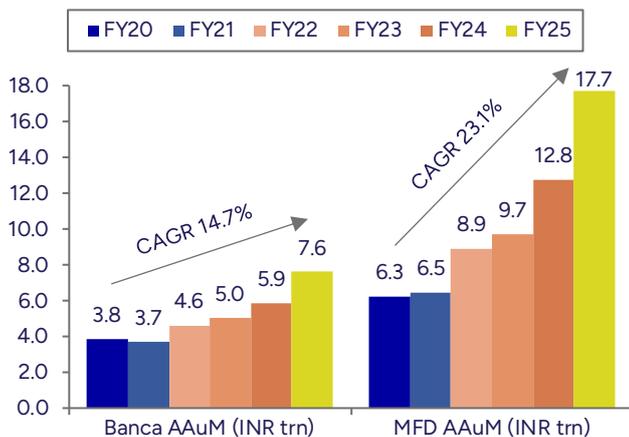
Exhibit 25: Banca channel had higher pricing power in FY14-19



Source: AMFI, PL

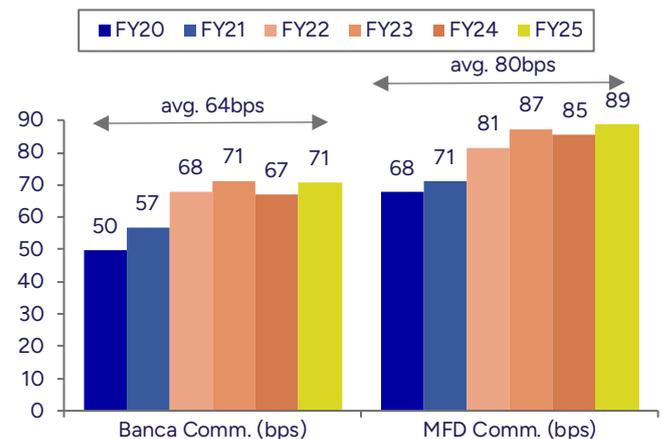
However, over FY20-25, this dynamic shifted; IFA-based AAuM increased at a faster pace of 23%, while banca channel materially slowed down to 15% CAGR. Hence, average yields charged by MFDs increased to 80bps from 72bps, while that charged by banks reduced to 64bps from 85bps. This would have also been a function of increase in the share of B-30 equity AuM within overall AuM.

Exhibit 26: MFD-based AuM growth accelerates over FY21-25



Source: AMFI, PL

Exhibit 27: Pricing power shifts from banca to ND



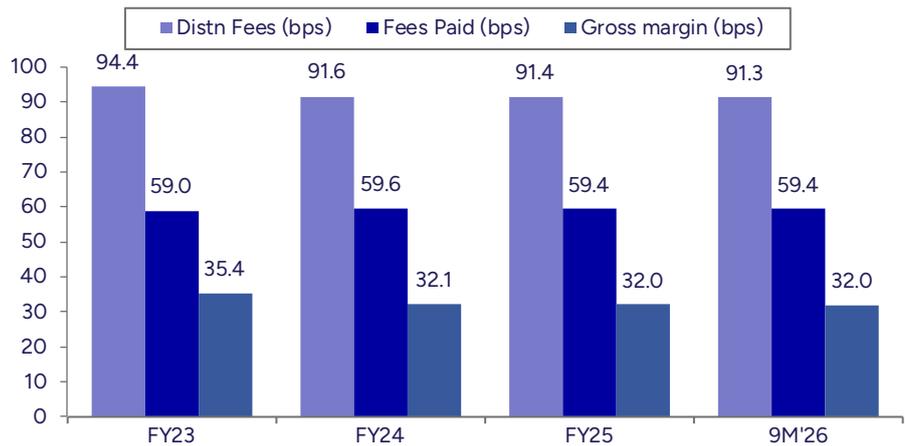
Source: AMFI, PL

Ability to pass on commission rationalization by AMCs

Commission rationalization of AMCs started in Aug'24, initially led by HDFC AMC, followed by Nippon, Motilal Oswal, SBI and Kotak. Except ICICIAMC, most large AMCs have already repriced their books. The annualized impact so far for PRUDENT has been INR 15cr, equivalent to 1.3bps. Of this, PRUDENT has passed on 70% of the impact to its distributors.

9MFY26 yield remains stable on a YoY basis since despite 25% of total AuM being at lower yields (Karvy's acquired AuM and pre-2018 trail structure), as incremental new business is done at higher yields. In 2021, PRUDENT acquired Karvy, which added ~INR 93bn to AuM, but at a lower yield.

Exhibit 28: Gross margin largely stable for PRUDENT at 32bps



Source: Company, PL

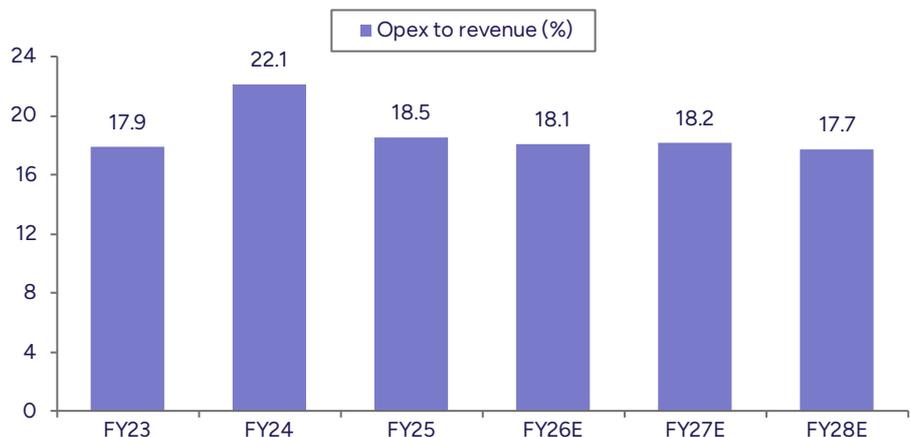
Karvy's yield was ~65bps, whereas PRUDENT's blended book yield was 91bps, which suppressed overall yields. Additionally, ~20% of pre-2018 business carries lower trail commission because: earlier model involved higher upfront commissions and lower trail, which continues to depress the book. PRUDENT expects meaningful margin improvement on incremental flows (25% of AuM annually), though the exact benefit may be difficult to quantify.

New TER guidelines may lead to further consolidation

Currently, PRUDENT receives gross commission including GST; Under the new regulatory framework, it will receive net commission, with GST recoverable through invoicing to AMCs. Non-registered distributors working directly with AMCs would be unable to raise GST invoices, leading to an income loss of ~15%. This makes PRUDENT's rate card relatively more competitive for MFDs, likely driving consolidation towards platforms. To capitalize on this opportunity, PRUDENT plans to open 25–30 branches in the next fiscal.

PRUDENT would have two options under the new TER regime: (1) increase margins on incremental business as non-GST registered distributors cannot issue a taxable invoice, so they could lose the GST component entirely, reducing their effective earning to only net commission or (2) maintain the current payout ratio so as to be more competitive which in effect may increase business volumes.

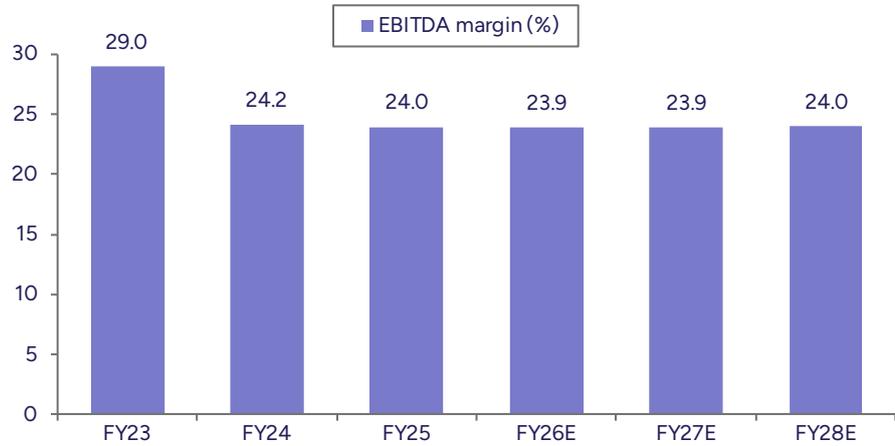
Exhibit 29: Opex to revenue to remain at 18-19% over FY26-28E



Source: Company, PL

Hence, differential advantage of smaller distributors would be eliminated, making PRUDENT more competitive. There can be consolidation and smaller distributors will have an incentive to join platforms like PRUDENT. 50% of stock AuM is attributable to GST registered distributors, and the remaining to non-registered ones. However, commission payable to the former is lower compared to the latter.

Exhibit 30: EBITDA margin to remain steady at ~24.0%

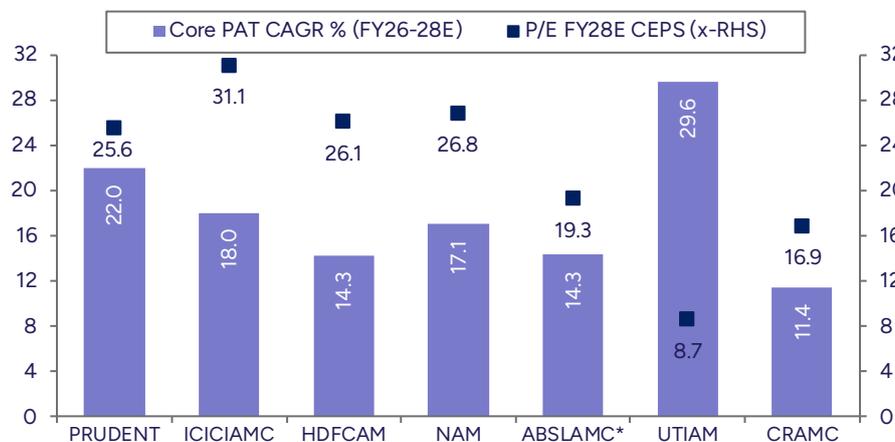


Source: Company, PL

As per PRUDENT, the 5bps exit load removal and GST cut of 10bps (+ve impact of 3bps) together could have an overall negative impact of ~2bps on the MF industry. This implies an industry-wide effect of INR 6-8bn on equity AuM of ~INR 40trn. Whether this impact may entirely flow across the value chain remains to be seen. Factoring in the worst case, PRUDENT's current yield of 91bps may reduce to ~88bps; however, PRUDENT is confident of passing on at least 70% of this reduction to distributors, with the remaining portion being its share.

However, there are several levers available to manage this hit. For instance, PRUDENT can pass on commission cuts by AMC's as done in the past, while newer flows have a higher yield, as discussed above. Accordingly, the company expects to manage the impact on its books effectively. Hence, operating margins are expected to remain steady, with PRUDENT guiding toward EBITDA margin of 23-24%.

Exhibit 31: Core PAT CAGR estimated at ~19% over FY26-28E



Source: Company, PL * Bloomberg consensus

Pan-India distribution and reach an asset

Most B2C digital platforms lack on-the-ground expertise necessary to handle the realities of MF distribution. PRUDENT has 500+ RMs, which distinguishes it from other platforms as many distributors operate only part-time. Such distributors require consistent support, which cannot be managed through a centralized office or digital-only interface. Physical presence in terms of branches, local support, and on ground teams remain essential for distributor support.

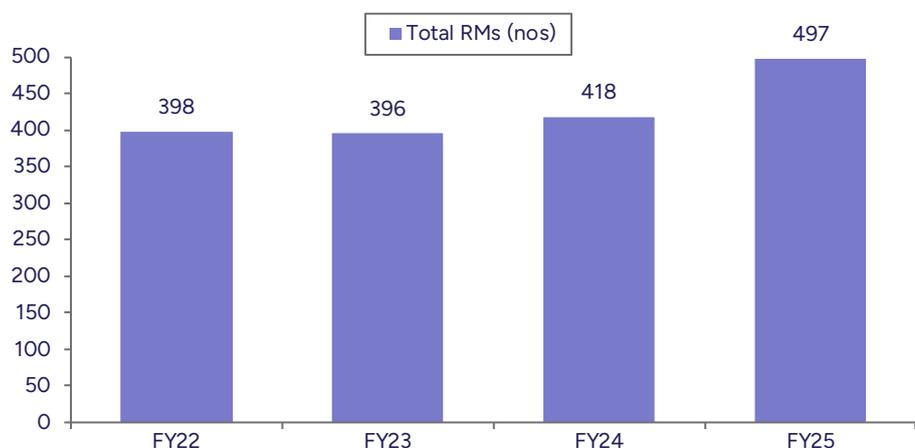
Exhibit 32: 49% of 143 branches located in B-30 cities



Source: Company, PL

Several competitors like ICICI Securities have attempted B2C models but eventually shut them down, reflecting the challenge of scaling such models without physical support. Some large platforms primarily promote direct plans or cross-sell competing products. Distributors are uncomfortable placing clients on such platforms as there is misalignment of incentives. Their clients are exposed to direct-plan pushes. Distributors lose revenue from such cross-selling. This creates a conflict of interest, making distributors hesitant to shift clients to platforms that promote alternatives detrimental to them.

Exhibit 33: ~500 RMs as of Mar'25



Source: Company, PL

Valuation & Risks

Valuation

We are optimistic about PRUDENT since: (1) MF industry and equity AuM could see healthy growth due to low penetration, suggesting good growth potential, which may translate into attractive 15-20% long-term growth in indirect equity AuM (2) PRUDENT has an edge in terms of technology and distribution, which may bode well in the new TER regime, under which the industry could see consolidation (3) pricing power has shifted to MFDs from banca over FY19-25 given the ability of larger distributors to garner higher equity flows (4) PRUDENT can pass on impact of commission cuts to distributors, as done in the past. While removal of 5bps exit load and 10bps GST cut could see a combined negative impact of 2bps on AMC's, which would be passed on, PRUDENT does have offsetting levers in the form of (a) ability to pass on commission cuts and (b) newer flows that are anyway at higher yields (5) AAuM is well distributed with top 8 AMC's (in terms of equity) contributing 68%, thereby mitigating, to an extent, performance risk that an AMC is exposed to, which may bode well if the market is volatile or falling, like in the current scenario.

Over FY26-28E, we expect 21% CAGR over FY26-28E in overall/equity AAuM, which may translate to revenue, opex, core income CAGR of 20%/19%/21.6% each, leading to core PAT CAGR of 22%. At CMP, the stock is trading at 27x on FY28E core EPS compared to AMC valuations of 27-30x (in case of ICICIAMC, HDFCAM & NAM). We assign a multiple of 31x on Mar'28 core EPS to arrive at TP of INR 2,600. Initiate coverage with 'BUY'.

Key Risks

- **Market volatility:** Elevated market volatility may weigh on investor sentiment, potentially impacting equity inflows and overall AuM growth.
- **Intense competition:** Better reach and pricing by larger distributors could lead to loss of market share.
- **Performance risk:** Underperformance in schemes of large AMC's may affect AuM growth adversely.
- **Regulatory risk:** Any regulatory changes, especially around TER in relation to AMC's, commission structure, etc., could impact profitability.

Exhibit 2: Prudent trading at ~26x i.e. near its average P/core EPS multiple of 27.5x



Source: Company, PL

Experienced Management Team

Exhibit 34: Management team

Name	Designation	Brief profile
Sanjay Shah	Chairman and Managing Director	A chartered accountant by qualification with more than 2 decades of experience in wealth management, he is the founder of the Prudent Group and managing director of PRUDENT. He holds a BBA degree from Sardar Patel University. He previously worked with various Industries before laying foundation of PRUDENT in 2000. He has spearheaded various initiatives of the group and established various verticals over the past 2 decades. Under his leadership, PRUDENT has emerged as leading integrated financial services group in India. He visualized the growth of MF and financial services sector through the power of technology at an early stage of his entrepreneurship journey.
Shirish Patel	Whole-time Director and CEO	Associated with the group since 2005, he is currently the CEO of PRUDENT. He holds an MBA and CFP degree and has 24 years of experience in wealth management. He has held various positions at ICICI Bank and Citi Bank. As the CEO, his role entails the overall strategic direction, network building and operational responsibilities of the group. The group's success in creating a large channel partner and branch network across India is credited to his relentless efforts.
Sanjay Sanghvi	Strategic Advisor	He is the founder of Indus Capital and brings over 35 years of experience in capital markets and more than 2 decades in MF. Having built Indus into a trusted investment advisory firm, he has joined PRUDENT as Advisor - Strategic Initiatives, guiding the Indus Capital business within the group and using his expertise to strengthen client relationships and drive growth.
Chirag Kothari	CFO	A qualified company secretary and a fellow member of the Institute of Company Secretaries of India, he has 17 years of experience in the finance sector and has been associated with PRUDENT since 2006.

Source: Company, PL

Quarterly Financials

Y/e Mar	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Income Statement (INR mn)								
Revenue	2,376	2,477	2,845	2,827	2,810	2,910	3,168	3,407
MF Distribution	1,821	2,052	2,343	2,421	2,298	2,489	2,717	2,941
Insurance	395	261	339	286	402	291	324	336
Broking	76	77	73	49	41	50	44	44
Others	84	87	90	71	69	80	83	86
Commission	1,278	1,418	1,633	1,684	1,645	1,730	1,904	2,023
Net Revenue	1,099	1,059	1,213	1,143	1,165	1,180	1,265	1,384
Other Op. Income	21	17	15	23	20	28	30	25
Expenses	511	487	540	507	497	535	573	631
Employee	232	271	295	300	243	314	329	383
Other Expenses	279	216	245	207	254	220	243	248
EBITDA	608	590	687	659	687	673	722	778
Depreciation	64	63	67	74	75	73	77	80
Finance	8	5	6	6	7	7	7	17
Core Income	536	522	615	579	606	593	638	681
Other Income	62	70	78	66	85	103	82	95
PBT	598	592	693	645	691	696	719	776
Tax	152	150	178	163	173	178	184	200
PAT	446	442	515	482	517	518	535	576
Core PAT	399	390	457	433	454	441	475	506
QAAuM	808,890	892,750	1,020,570	1,055,460	1,017,640	1,101,940	1,189,860	1,276,010
QAAuM Growth (%)	4.1	2.9	4.8	3.4	2.5	1.5	2.9	1.5
Ratios								
Gross MF Yield (bps)	90.1	91.9	91.8	91.8	90.3	90.4	91.3	92.2
Commission (bps)	63.2	63.5	64.0	63.8	64.7	62.8	64.0	63.4
Net MF yield (bps)	26.9	28.4	27.8	27.9	25.7	27.6	27.3	28.8
Gross margin (%)	46.2	42.8	42.6	40.4	41.4	40.5	39.9	40.6
Staff cost/revenue (%)	9.8	11.0	10.4	10.6	8.7	10.8	10.4	11.2
Other opex/revenue (%)	11.7	8.7	8.6	7.3	9.1	7.6	7.7	7.3
EBITDA margin (%)	25.6	23.8	24.2	23.3	24.5	23.1	22.8	22.8
Core income/revenue (%)	22.5	21.1	21.6	20.5	21.6	20.4	20.1	20.0
Tax rate (%)	25.4	25.3	25.7	25.3	25.1	25.6	25.6	25.7
PAT margin (%)	18.8	17.8	18.1	17.0	18.4	17.8	16.9	16.9
Core PAT margin (%)	16.8	15.7	16.1	15.3	16.1	15.2	15.0	14.8

Source: Company, PL

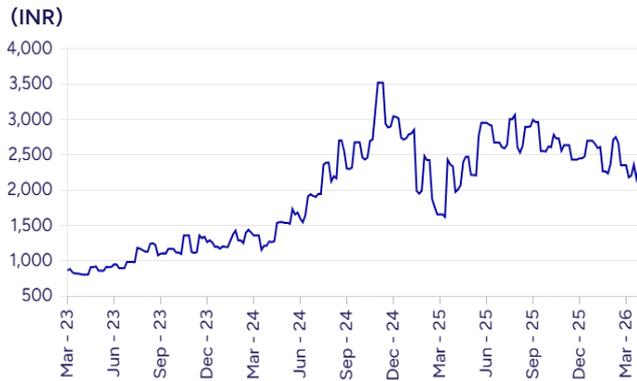
Financials

Y/e Mar	FY25	FY26E	FY27E	FY28E
Profit & Loss (INR mn)				
Revenue	10,959	13,074	15,765	18,850
MF Distribution	9,114	11,126	13,566	16,310
Insurance	1,288	1,421	1,629	1,923
Broking	241	185	194	204
Others	317	341	375	413
Commission	6,380	7,697	9,243	11,113
Net Revenue	4,579	5,377	6,522	7,737
Other Op. Income	76	108	119	131
Expenses	2,030	2,362	2,866	3,346
Employee	1,108	1,397	1,708	2,014
Other Expenses	922	965	1,158	1,332
EBITDA	2,625	3,123	3,775	4,522
Interest	24	49	54	59
Depreciation	279	313	344	379
Core Income	2,323	2,762	3,377	4,085
Other Income	299	378	554	765
PBT	2,622	3,140	3,931	4,850
Tax	664	799	983	1,212
PAT	1,957	2,341	2,948	3,637
Core PAT	1,734	2,059	2,533	3,063
Dividend	104	140	206	291
Growth ratios (%)				
AAuM	43.2	22.0	22.6	20.2
Revenue	37.2	19.3	20.6	19.6
MF Fees	42.9	22.1	21.9	20.2
Commission	46.5	20.6	20.1	20.2
Net Revenue	25.9	17.4	21.3	18.6
Opex	15.0	16.3	21.4	16.7
Employee	19.4	26.0	22.3	17.9
Others	10.2	4.7	20.0	15.0
EBITDA	35.9	19.0	20.9	19.8
Core income	39.7	18.9	22.3	21.0
PAT	41.1	19.6	25.9	23.4
Core PAT	39.7	18.7	23.0	21.0
% of Revenue				
Gross Margin	41.8	41.1	41.4	41.0
Opex	18.5	18.1	18.2	17.7
Staff Cost	10.1	10.7	10.8	10.7
Other Opex	8.4	7.4	7.3	7.1
EBITDA Margin	24.0	23.9	23.9	24.0
Core Income	21.2	21.1	21.4	21.7
Other Income	2.7	2.9	3.5	4.1
PAT margin	17.9	17.9	18.7	19.3
Core PAT margin	15.8	15.7	16.1	16.3

Source: Company, PL

Y/e Mar	FY25	FY26E	FY27E	FY28E
Balance Sheet (INR mn)				
Net Worth	6,677	8,878	11,620	14,966
Capital (FV INR5)	207	207	207	207
Reserves	6,470	8,671	11,412	14,759
Employee benefit	306	367	403	444
Other liabilities	2,454	2,644	2,832	3,016
Total Liabilities	9,436	11,888	14,855	18,426
Cash and Bank	1,783	2,140	2,568	3,082
Investment	3,652	5,403	7,640	10,363
Fixed assets	1,621	1,651	1,684	1,721
Other assets	2,380	2,694	2,963	3,260
Total Assets	9,437	11,888	14,855	18,426
AuM Data				
AAuM	996,605	1,215,740	1,490,770	1,792,361
Other Ratios				
MF Fees / AUM (bps)	91.4	91.5	91.0	91.0
Commission / AuM (bps)	64.0	63.3	62.0	62.0
Gross margin (bps)	27.4	28.2	29.0	29.0
Yield on Investments (%)	9.8	8.4	8.5	8.5
Effective tax rate (%)	25.3	25.4	25.0	25.0
Dividend payout (%)	5.3	6.0	7.0	8.0
RoE (%)	34.1	30.1	28.8	27.4
Core RoE (%)	32.7	29.1	27.5	26.1
Valuations				
EPS	47.3	56.5	71.2	87.8
Core EPS	41.9	49.7	61.2	74.0
CPS	131.3	182.2	246.5	324.7
DPS	2.5	3.4	5.0	7.0
Dividend yield	0.1	0.2	0.2	0.3
BVPS	161.3	214.4	280.6	361.4
P/B	13.8	10.4	7.9	6.2
P/E	47.1	39.4	31.2	25.3
P/core EPS	50.0	41.1	32.3	25.7

Source: Company, PL

Price Chart

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	AAVAS Financiers	Accumulate	1900	1619
2	Axis Bank	BUY	1500	1376
3	Bank of Baroda	Accumulate	320	305
4	Can Fin Homes	BUY	950	838
5	Canara Bank	Hold	160	152
6	Canara Robeco Asset Management Company	BUY	325	311
7	City Union Bank	BUY	310	287
8	DCB Bank	BUY	155	182
9	Federal Bank	BUY	275	291
10	HDFC Asset Management Company	BUY	2950	2554
11	HDFC Bank	BUY	1150	924
12	ICICI Bank	BUY	1800	1406
13	ICICI Prudential Asset Management Company	BUY	3300	2736
14	IndusInd Bank	Accumulate	960	892
15	Kotak Mahindra Bank	BUY	500	426
16	LIC Housing Finance	Hold	690	570
17	Nippon Life India Asset Management	BUY	1000	879
18	State Bank of India	BUY	1280	1219
19	Union Bank of India	BUY	200	193
20	UTI Asset Management Company	Accumulate	1250	1135

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BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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