

Computer Age Management Services Ltd.

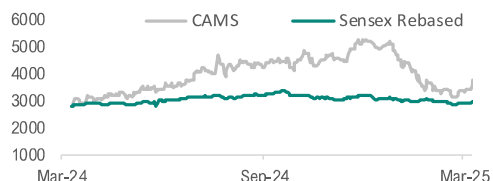
Accumulate

Sector: Financial Services

28th March 2025

						Target	Rs. 4,425
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.3,684
Small Cap	CAMS:IN	77,606	CAMS	543232	12 Months	Return	+20%

Data as of: 27-03-2025

Company Data			
Market Cap (Rs. cr.)	18,186		
52 Week High — Low (Rs.)	5,367-2,901		
Enterprise Value (Rs. cr)	17,794		
Outstanding Shares (Rs cr)	4.9		
Free Float (%)	97		
Dividend Yield (%)	2.1		
6m average volume (cr)	0.1		
Beta	0.9		
Face value (Rs)	10.0		
Shareholding (%)	Q1FY25	Q2FY25	Q3FY25
Promoters	0.0	0.0	0.0
FII's	56.5	56.5	57.6
MFs/Institutions	19.4	18.7	17.4
Public	18.6	19.4	19.7
Others	5.5	5.4	5.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-26%	-15%	34%
Absolute Sensex	-5%	-11%	5%
Relative Return	-21%	-4%	30%
*over or under performance to benchmark index			
			
Consolidated (cr)	FY25E	FY26E	FY27E
Sales	1,433	1,597	1,874
Growth (%)	26.1	11.5	17.3
EBITDA	654	708	836
EBITDA Margin (%)	45.7	44.3	44.6
Adj. PAT	469	507	611
Growth (%)	32.6	8.3	20.4
Adj. EPS	94.9	102.8	123.8
Growth (%)	32.0	8.3	20.4
P/E	38.8	35.8	29.8
P/B	17.5	15.5	13.1
EV/EBITDA	27.2	24.9	20.8
ROE (%)	48.0	45.9	47.6
D/E	0.1	0.1	0.1
D/E	0.1	0.1	0.1

A key beneficiary of the capital market growth

With over 30 years of specialized knowledge and experience, CAMS stands as India's top and rapidly expanding Qualified Registrar and Transfer Agent (QRTA) for Mutual Funds (MFs). They cater to ten of the fifteen largest MFs by Average Assets Under Management (AAUM).

- ◆ CAMS is India's largest registrar and transfer agent of AMCs with an aggregate market share of ~68% based on mutual fund AAUM managed by its clients and serviced by it.
- ◆ In Q3FY25, CAMS serviced Rs. 46.3 tn. Assets under Management (AuM). In Q3FY25 equity net inflows touched Rs. 97,000 cr. which is a staggering 89% increase on a YoY basis.
- ◆ Revenue experienced a CAGR of 17% from FY21 to FY24, primarily driven by an 18% CAGR in AUM. Looking ahead, we anticipate revenue to have ~14% CAGR over FY25E to FY27E, supported by an expected 19% CAGR in AUM. This projection accounts for potential yield compression due to anticipated pricing adjustments in the upcoming quarters.
- ◆ EBITDA/PAT grew by 22%/20% CAGR over FY21-FY24, driven by a margin expansion of 540bps/250bps. We expect EBITDA/PAT to grow at a CAGR of 13%/14% during FY25E-FY27E, supported by stable margins. Even amidst yield compression, the company remains confident in maintaining profitability through automation and operational efficiencies.
- ◆ CAMS won all 3 RTA mandates awarded recently, including the prestigious Jio BlackRock MF; With these wins, CAMS is the partner of choice for 6 out of 7 new AMCs which are ready for launch.

Investment Rationale

- ◆ Indian mutual fund industry is a very promising industry, fast growing in the world and grossly underpenetrated. MF AUM as a percentage of GDP is a mere 18% in India compared to the world average of ~65%.
- ◆ RTA industry is a very high moat industry requiring huge investment in software & hardware platform and human skills & experience.
- ◆ Between FY20-FY24, mutual fund assets grew at a CAGR of 22%, whereas bank deposits have grown at a CAGR of just 11%.
- ◆ India's GDP per capita was US\$ 2,698 in 2024. This is expected to increase to US\$ 4,195 by 2029, propelling MF inflows to newer heights.

Outlook & Valuations

The penetration potential of the industry is high. Being the market leader, CAMS is all set to capitalize on this huge growth potential supported by a healthy balance sheet and return ratios. **CAMS is currently trading at 36x (5 yr avg=40x), we value at 36x to arrive at a target price of Rs. 4,425, recommend Accumulate rating.**

Author : Vincent K A - Sr. Research Analyst





CAMS is India's leading RTA for Mutual Funds

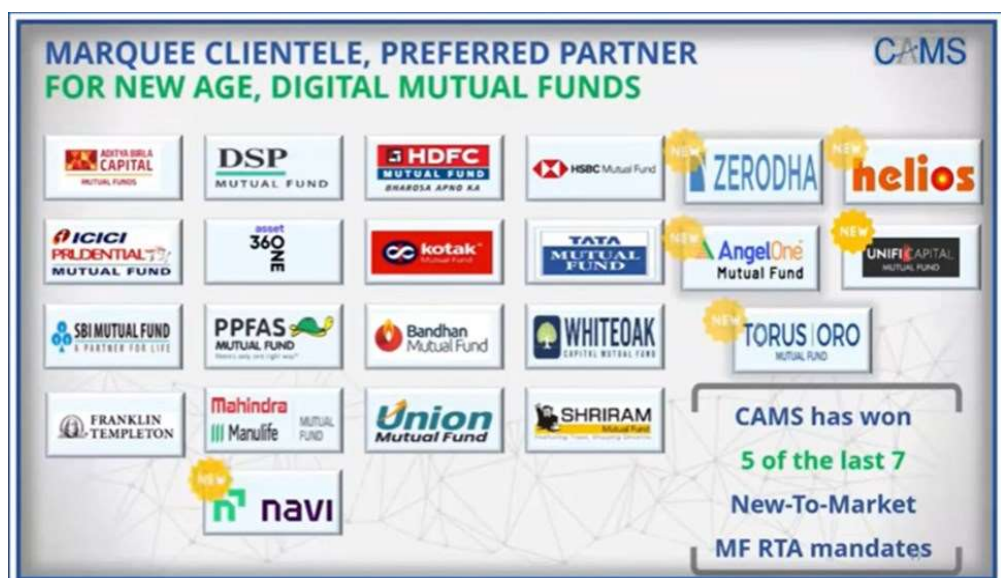
During Q3FY25 CAMS won all 3 RTA mandates awarded viz. Jio BlackRock MF, Pantomath MF and Choice MF; With these wins, CAMS is the partner of choice for 6 out of 7 new AMC's which are ready for launch.

About the company

CAMS Ltd. is a technology-driven financial infrastructure and services provider to mutual funds and other financial institutions for over 30 years. As the market-leading Registrar and Transfer Agency (RTA) to the Indian mutual fund industry, CAMS serves ~68% of the average assets under management (AUM). The company was incorporated in 1988 and is headquartered in Chennai. It became publicly listed in October 2020. CAMS also provides technology-enabled service solutions to alternatives and insurance.

What is an RTA -RTA business involves providing back-office support services to financial institutions, such as mutual funds, to facilitate seamless record-keeping, transaction processing, and investor services.

Over the years, CAMS has broadened its range of services to include electronic payments, KYC, NPS registration, insurance repository services, account aggregation, and more, making financial solutions easily accessible. Leveraging advanced technology and a vast network of service centres, CAMS ensures efficient, accurate, and secure operations. Its robust digital platforms, including mobile apps and online portals, enhance investor convenience and accessibility, making CAMS a pivotal contributor to the growth and efficiency of the Indian mutual fund ecosystem.



Source: Company, Geojit Research

As of FY24, mutual fund clients include the top three – SBI, ICICI Prudential, and HDFC AMC – which constitutes almost 40% of the total AUM of the industry. Other marquee clients include Kotak Mahindra, Aditya Birla Sun Life, Zerodha, etc. CAMS is a partner to 26 out of 50 MFs, as of Q3 Q3FY25. CAMS' competitive technology advantage stems from the capability, functionality, integration and scalability of our proprietary platforms. CAMS's Transfer Agency platform is the largest platform serving the mutual fund segment in India and has enabled rapid scaling of the industry while managing the complexities of business operations.

Demonstrating Undisputed Leadership

India's largest registrar and transfer agent ("RTA") of MFs with an aggregate market share of ~68% (based on AAUM)

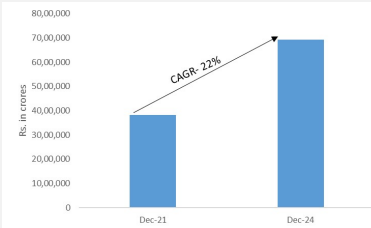
Partner of choice for 10 of the 15 largest MFs (based on AAUM)

23 Years average relationship with 10 largest MF clients (based on AAUM)

62% share in new SIP registrations

Source: Company (FY24), Geojit Research

Indian MF AAUM Growth



Source: AMFI, Geojit Research

Indian MF AUM grew remarkably high at CAGR of ~22% during FY22 - FY25E compared to 19% during FY 12 - FY21.

Shift towards equity funds show the increased confidence of retail investors in saving for better returns. This trend is good for the growth of the MF market.

The equity mix in AUM has significantly increased from 28% in FY17 to 55% in FY25.

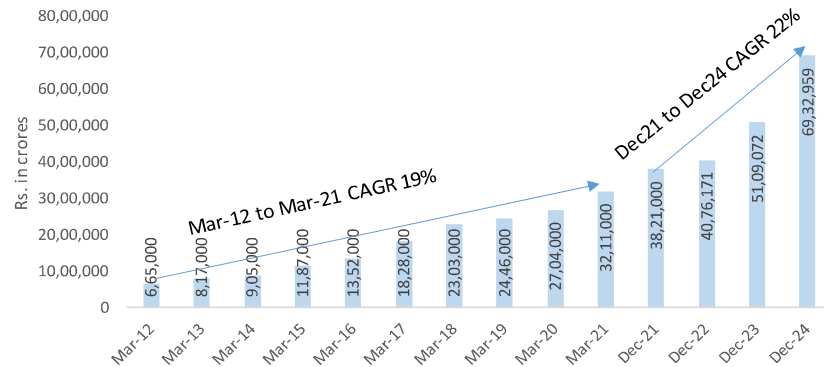
SIP MF investment is advantageous for the industry as it will facilitate

- **Stable Inflows**
- **Enhanced Investor Retention**
- **Greater Financial Inclusion**
- **Marketing and Outreach Opportunities**

Industry Overview

As of Dec 2024, the industry has an Average Net AUM of ~Rs. 69 trillion. It has grown at a CAGR of 22% since Dec 2021. This growth is largely attributed to the rising awareness among retail investors about the benefits of mutual funds, coupled with the increasing penetration of digital platforms that facilitate easier access to investment options.

Indian MF AAUM Growth

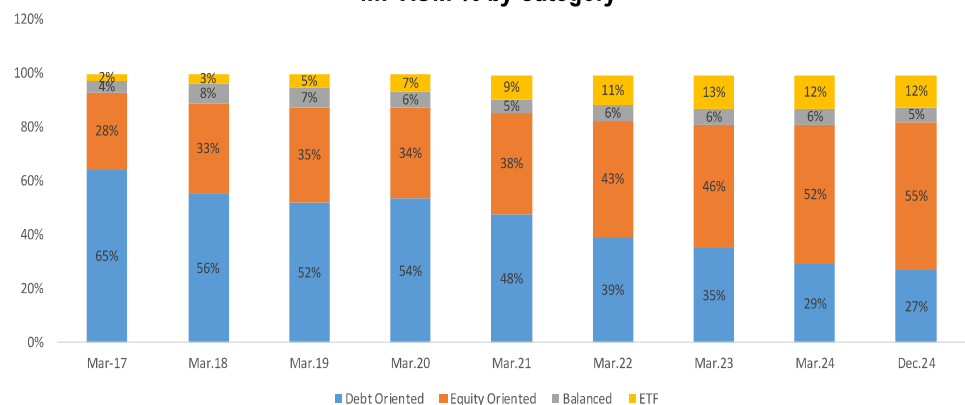


Source: AMFI, Geojit Research

Shift Towards Equity Funds

- ◆ Over the past decade, there has been a notable shift from traditional debt instruments to equity funds.
- ◆ This shift is driven by the higher returns offered by equity funds compared to other investment avenues.
- ◆ Equity mutual funds now constitute a significant portion of the total financial assets in the country.
- ◆ This trend is expected to continue as more investors seek to capitalize on the long-term growth potential of the equity markets.

MF AUM % by Category



Source: AMFI, Geojit Research

Popularity of Systematic Investment Plans (SIPs)

- ◆ Systematic Investment Plans (SIPs) have emerged as a popular investment method among retail investors.
- ◆ Despite market fluctuations, SIP inflows have remained strong, indicating sustained confidence among retail investors.
- ◆ The steady inflow of funds through SIPs provides a stable source of capital for the mutual fund industry, contributing to its overall growth.

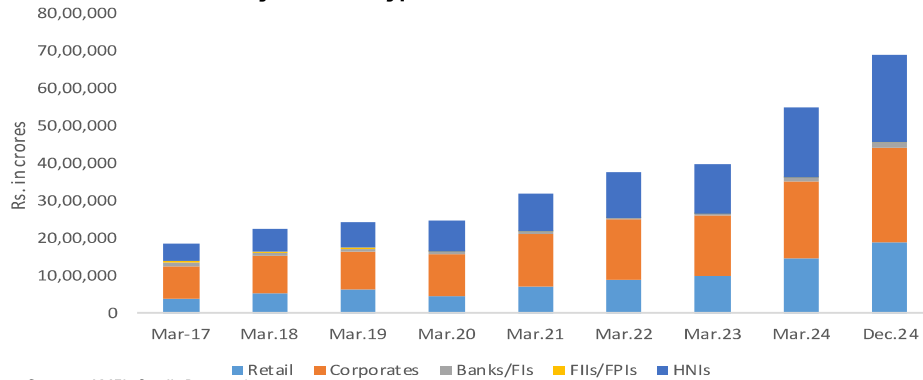
Technological Advancements

- ◆ The adoption of technology has played a pivotal role in the growth of the mutual fund industry.
- ◆ Digital platforms and mobile applications have made it easier for investors to access and manage their investments.

Retail Investor Optimism

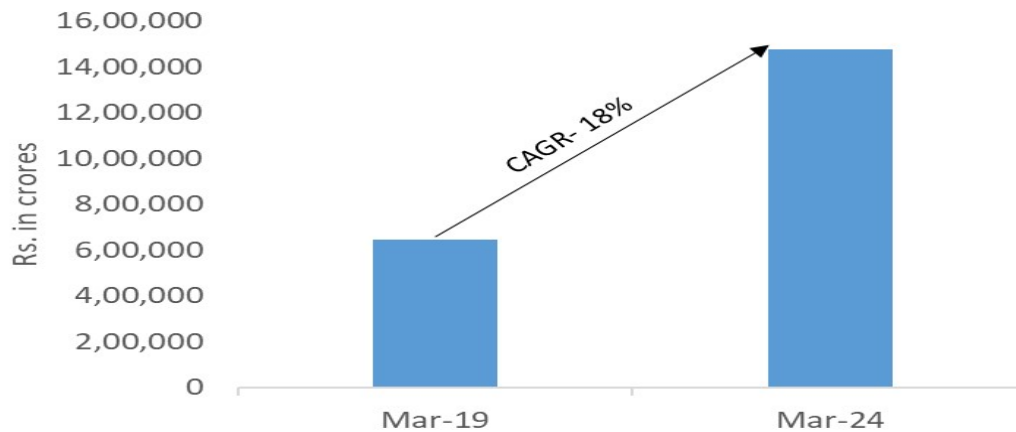
- ◆ The mutual fund industry has witnessed a surge in net inflows and assets under management (AUM), driven by retail investor optimism.
- ◆ Retail AUM rose at a CAGR of 18% from FY19 to FY24. In 9 months of FY 25 the retail AUM has surged by ~29% to reach ~Rs. 19 trillion.

MF AUM by Investor Type



Source: AMFI, Geojit Research

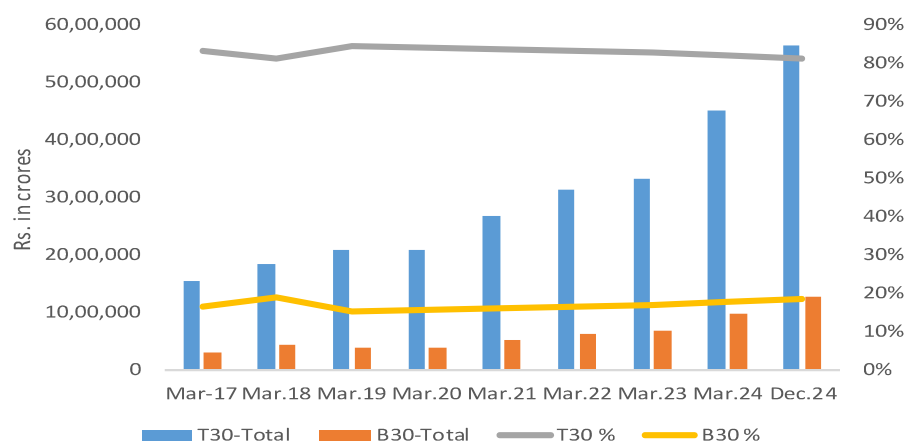
Retail MF AUM Growth



Source: AMFI, Geojit Research

- ◆ Top 30 cities (as identified by AMFI) contribute ~80% of the MF AUM ie ~Rs. 56 trillion.
- ◆ This concentration of AUM in major cities underscores the importance of urban markets in driving the growth of the mutual fund industry.

MF AUM by City Classification

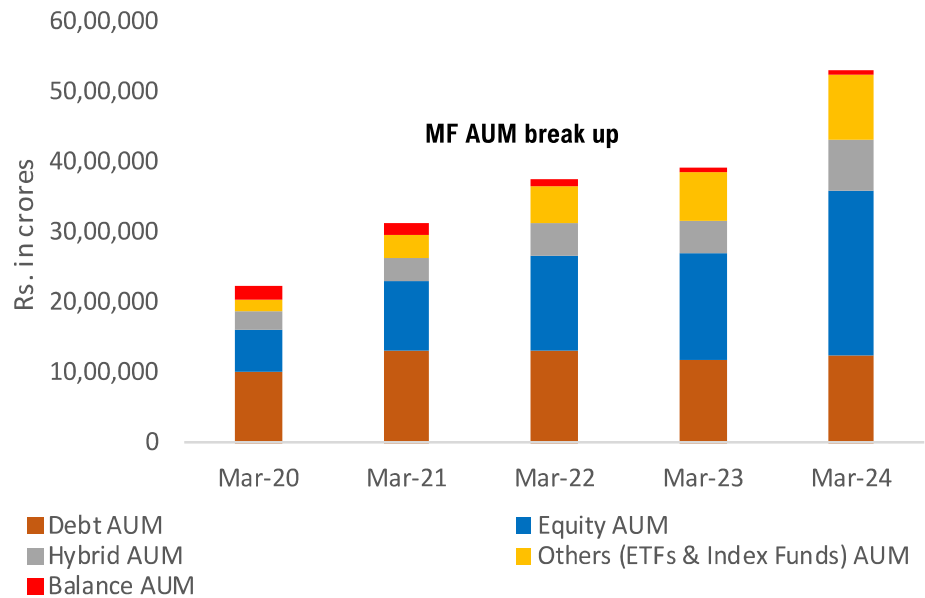


Source: AMFI, Geojit Research

Industry Outlook

- ◆ Looking ahead, the mutual fund industry in India is expected to continue its upward trajectory in spite of temporary market volatility.
- ◆ There is a growing focus on creating tailored investment products that meet the changing expectations of investors. This includes multi-asset funds, sectoral funds, and diversified funds.
- ◆ The growth of the mutual fund industry will be driven by ongoing digital advancements, favourable economic conditions, and increasing investor participation.

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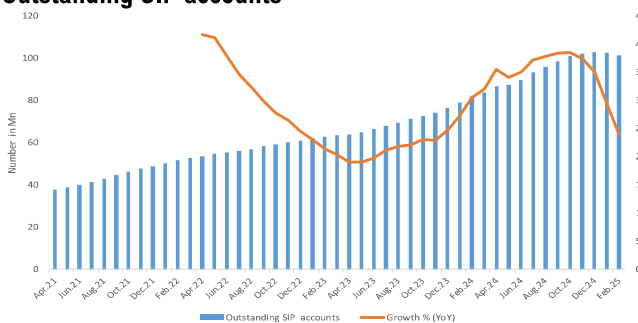


Source: AMFI, Geojit Research

The SIP Story in Charts

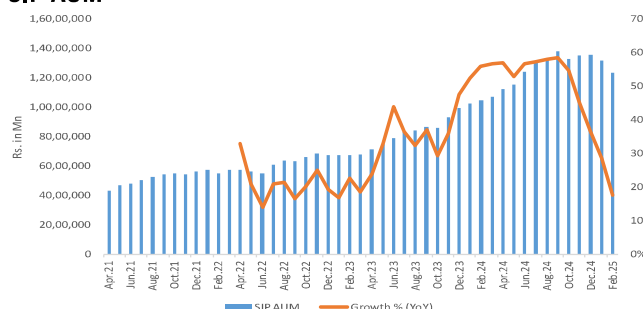
- ◆ The growth of outstanding Systematic Investment Plan (SIP) accounts in India has been remarkable.
- ◆ It has grown at a CAGR of 31% over FY21-FY24. As of February 2025, the number of SIP accounts surpassed 10 crores, reflecting a significant increase from previous years.
- ◆ However, in the last few months we can see a change in the trend. This downward trajectory is due to a recent correction in equity markets.

Outstanding SIP accounts



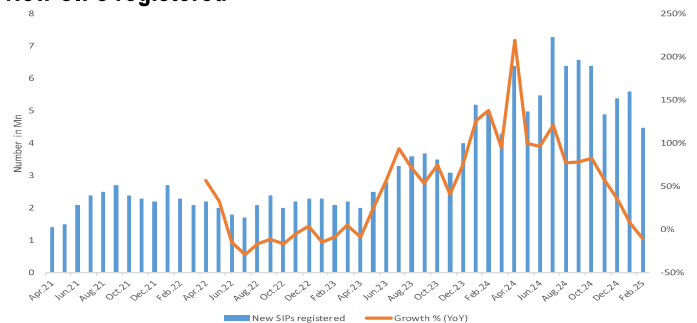
Source: CMIE, Geojit Research

SIP AUM



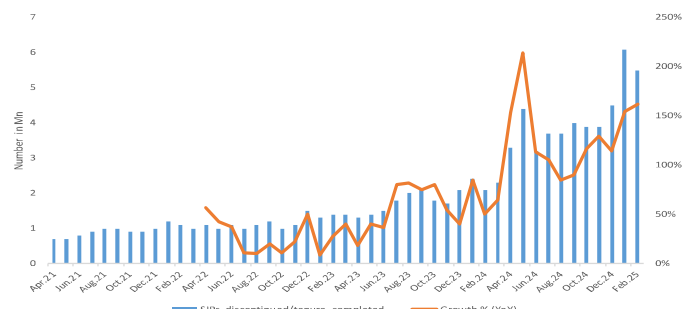
Source: CMIE, Geojit Research

New SIPs registered



Source: CMIE, Geojit Research

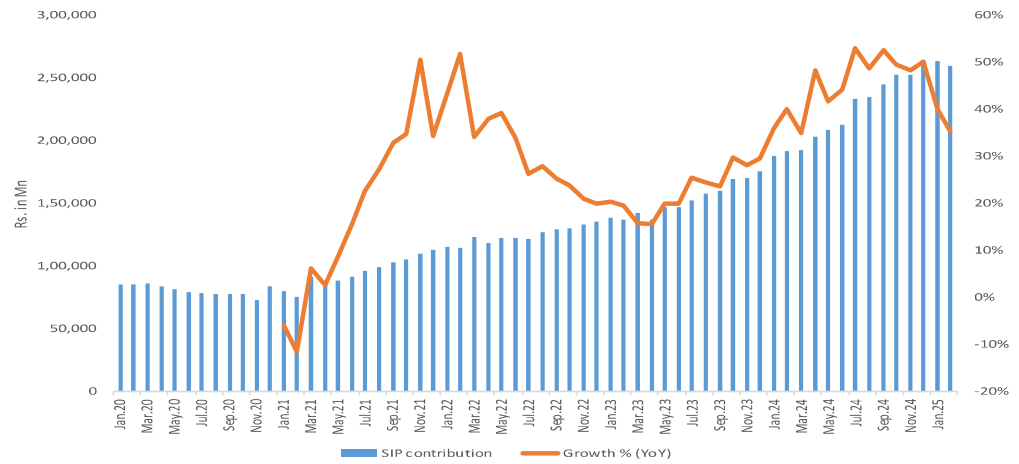
SIPs discontinued/tenure completed



Source: CMIE, Geojit Research

SIP Contribution

Monthly SIP contribution had reached a high of Rs. 26,459 cr in Dec 2024.



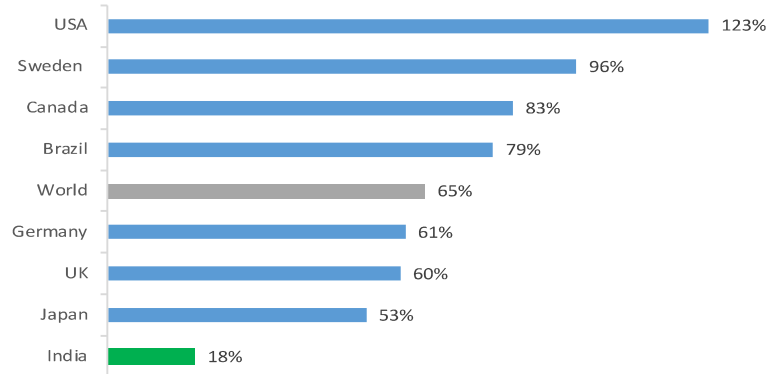
Source: CMIE, Geojit Research

Investment Rationale

RTA Business (88% of revenue)

- ◆ The Indian mutual fund industry is a very promising industry, fast growing in the world and grossly underpenetrated in India. MF AUM as a percentage of GDP is a mere 18% in India compared to the world average of 65%. The industry has a very high moat.
- ◆ CAMS, with 68% of market share in the core business, has strong fundamentals and is diversifying into other verticals. Proven track record with state of the art technology upgradation, impressive financials, generous dividend distribution, etc.
- ◆ Strong team with a seasoned and a highly experienced senior management team and highly qualified and motivated execution team –a mix of IIT and, IIM pass-outs.

Mutual Fund AUM as a % of GDP

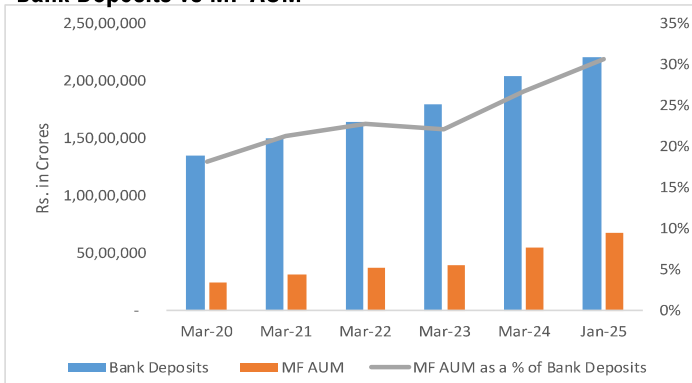


Note: Data for India as of FY24, while for the rest as of FY23
 Source: AMC Industry Report(Nomura), Geojit Research

Industry potential

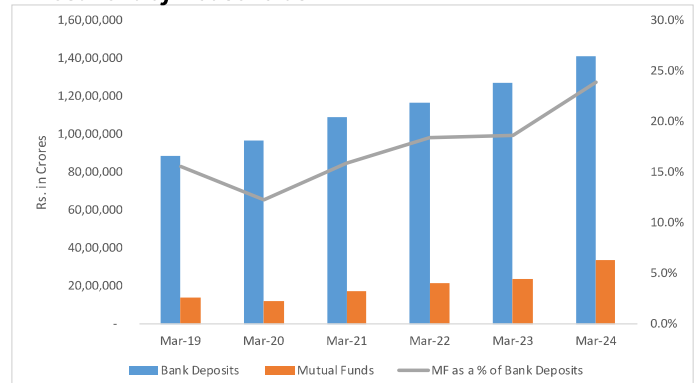
- ◆ It is a very high-moat industry which calls for not only huge investment in software & hardware platform but also in human skills and experience.
- ◆ Mutual Fund industry has been propelled to unprecedented levels by a surge in retail participation.
- ◆ Household savings invested in mutual funds account for 6.1% of total household savings, which is considerably higher than the 0.8% allocated to direct equities.
- ◆ The Indian MF penetration is low with the total AUM only 18% of GDP compared to 65% of world average, 123% for US etc. As the investor awareness increases, we believe this percentage can go up considerably.
- ◆ From FY20-FY24 mutual fund assets have grown at a CAGR of 22% whereas bank deposits have grown at a CAGR of just 11%.
- ◆ In FY24, addition of mutual fund folios saw a year-over-year growth of approximately 98%, compared to a 49% increase in Demat folios. This gap is further converging.
- ◆ Shifting of investment sentiments from bank deposits to MF/ Equity is very encouraging for the industry.

Bank Deposits vs MF AUM



Source:CMIE, Geojit Research

Investment by Households

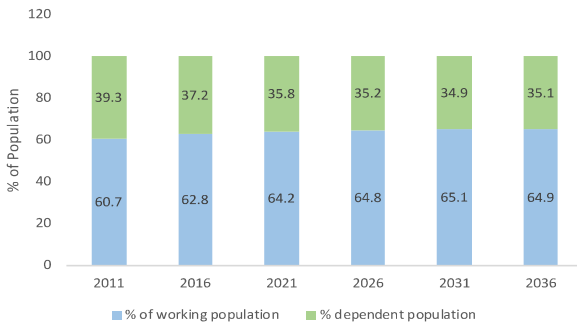


Source:CMIE, Geojit Research

India's strong economic growth

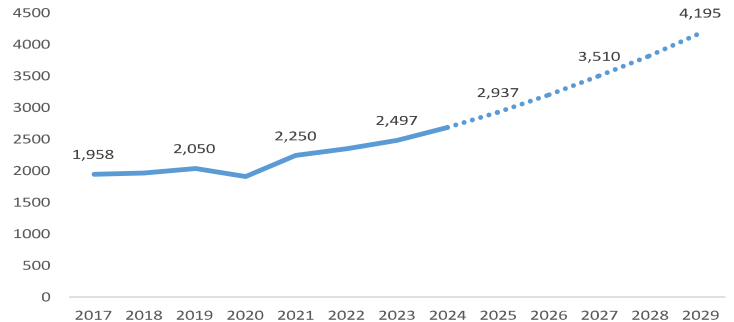
- ◆ India's population is experiencing significant growth, with a substantial proportion of its citizens falling within the working-age demographic.
- ◆ According to the India Employment Report 2024 by the International Labour Organisation, the working-age population (aged 15-59) in India is projected to constitute 65% of the total population by 2036. This demographic advantage is anticipated to propel economic growth at an average rate of 7% over the coming years.
- ◆ India's GDP per capita rose from US\$1,958 in 2017 to US\$2,698 in 2024, reflecting a compound annual growth rate (CAGR) of 4.7%. The IMF World Economic Outlook forecasts that India's nominal GDP per capita will reach US\$4,195, at current prices by 2029.
- ◆ The rise in per capita income would boost MF inflows, especially via SIP.

Demographic Distribution



Source: MOSPI, Geojit Research

GDP Per Capita (\$)



Source: IMF, Geojit Research

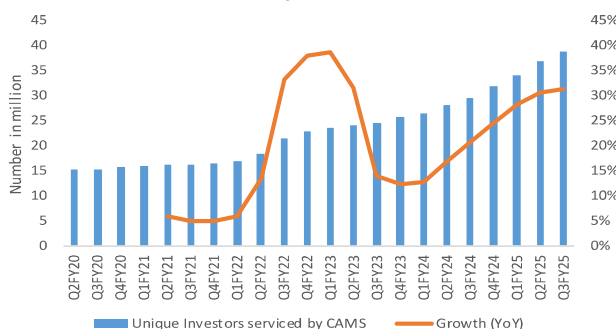
CAMS's Advantage

- ◆ CAMS manages approximately Rs. 46.3 trillion in assets under management (AUM), representing 68% of the total industry AUM of INR 68.6 trillion. This includes 4 of the top 5 (10 of the top 15) asset management companies (AMCs).
- ◆ As of December 2024, CAMS' market share in new SIP registrations increased to 64%, up from 60% in the previous quarter.

CAMS has demonstrated its performance & growth

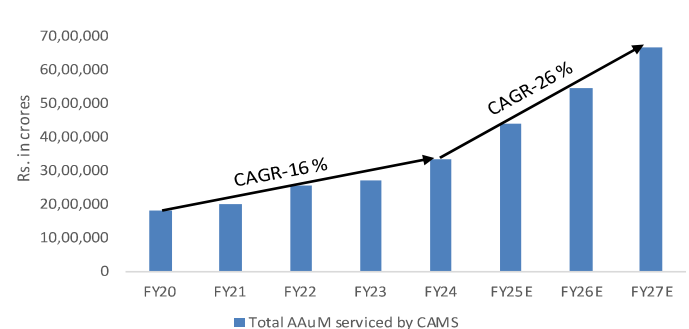
- ◆ On average, CAMS adds about 0.8 million investors monthly, which is 1.5 times the rate of its competitors (as of Aug 24).
- ◆ The number of unique investors has increased by 31% YoY in Q3FY25, which is higher than industry growth of 25%.
- ◆ AAUM serviced by CAMS has grown at a CAGR of 16% during FY20-FY24. It is expected to grow at a higher CAGR of 26% between FY24-FY27E.

Unique Investors Serviced by CAMS



Source: Company, Geojit Research

Total AAUM serviced by CAMS



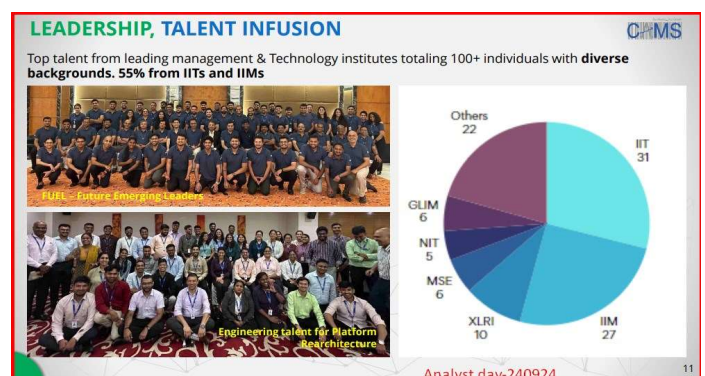
Source: Company, Geojit Research

Quick and determined in technology adaptation

- ◆ CAMS is very good at new technology adaptation.
- ◆ CAMS has implemented AI throughout its operations to maximize process automation.
- ◆ CAMS is going for an association with Google Cloud with a committed investment of Rs.100cr spread over 5 years, which will make it operate much faster and be highly scalable.

Highly qualified and experienced Team

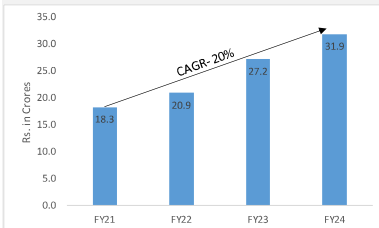
- ◆ The management team is highly qualified and highly experienced, with over 27 years of experience generally. The execution and transformation team is a good mix of IIT & IIM graduates, etc. The future of the company is safe and sound in their hands.



Source: Company, Geojit Research

An Alternative Investment Fund (AIF) is a type of investment vehicle that pools funds from investors to invest in assets beyond traditional stocks, bonds, and cash.

AIF Revenue Growth



Source: Company, Geojit Research

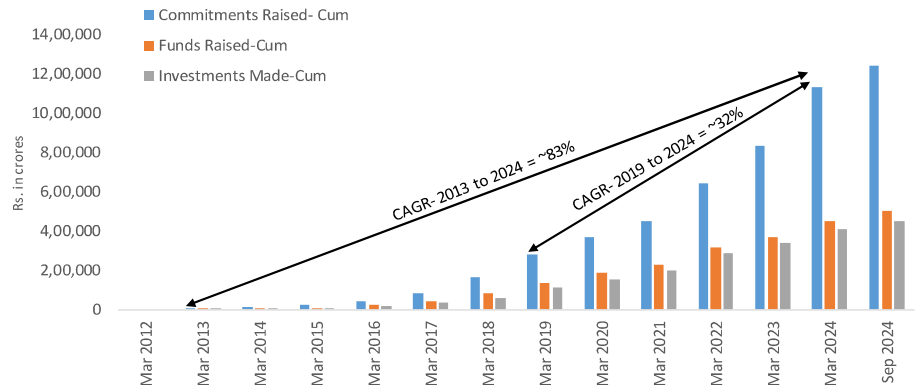
Revenue of CAMS AIF has grown at a CAGR of 20% over FY21-FY24

Non MF Verticals

1) CAMS AIF (2.6% of Revenue)

- ◆ An Alternative Investment Fund (AIF) is a type of investment vehicle that pools funds from investors to invest in assets beyond traditional stocks, bonds, and cash.
- ◆ AIFs typically include investments in private equity, venture capital, hedge funds, real estate, and other alternative assets.

AIF Cumulative



Source: SEBI, Geojit Research

- ◆ CAMS AIF is a comprehensive platform offered by CAMS to support the operations and administration of Alternative Investment Funds (AIFs) in India.
- ◆ It provides end-to-end solutions for AIFs across categories, including fund setup assistance, investor onboarding, compliance management, reporting, and accounting.
- ◆ Leveraging technology-driven processes, CAMS AIF streamlines fund administration while ensuring adherence to regulatory requirements set by the Securities and Exchange Board of India (SEBI).
- ◆ With its robust infrastructure and experienced team, CAMS AIF helps fund managers focus on investment strategies while enhancing transparency and efficiency for investors.

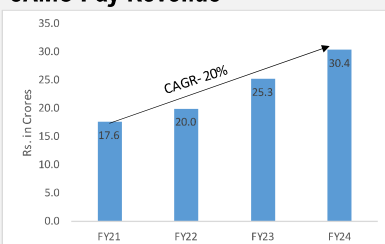
2) CAMS KRA (2.9% of Revenue)



Source: Company, Geojit Research

- ◆ CAMS KRA (KYC Registration Agency) is a service to streamline the Know Your Customer (KYC) process for investors across various financial services.
- ◆ As a SEBI-registered KRA, CAMS KRA serves as a centralized repository for KYC records, enabling seamless verification and data sharing across capital market intermediaries, such as mutual funds, stockbrokers, and portfolio managers.
- ◆ It simplifies the onboarding process by allowing investors to complete their KYC requirements once, which can then be used across multiple financial entities.
- ◆ With a robust digital platform, CAMS KRA ensures secure, efficient, and compliant KYC processes, contributing to a hassle-free experience for investors while meeting regulatory standards.

CAMS Pay Revenue



Source: Company, Geojit Research

Revenue of CAMS Pay has grown at a CAGR of 20% over FY21-FY24

3) CAMS Pay (3% of Revenue)

- ◆ CAMS Pay is a payment processing platform offered by CAMS, designed to provide seamless and secure payment solutions for the financial services ecosystem.
- ◆ It facilitates end-to-end payment services, including electronic fund transfers, mandates, and real-time payment integrations, catering to mutual funds, NBFCs, and other financial institutions.
- ◆ CAMS Pay ensures efficient and compliant handling of transactions like SIP debits, loan EMIs, and lump-sum investments, leveraging advanced technology and automated systems.
- ◆ With features such as multi-mode payment acceptance, reconciliation, and reporting, CAMS Pay enhances operational efficiency and offers a convenient, user-friendly experience for businesses and investors alike.

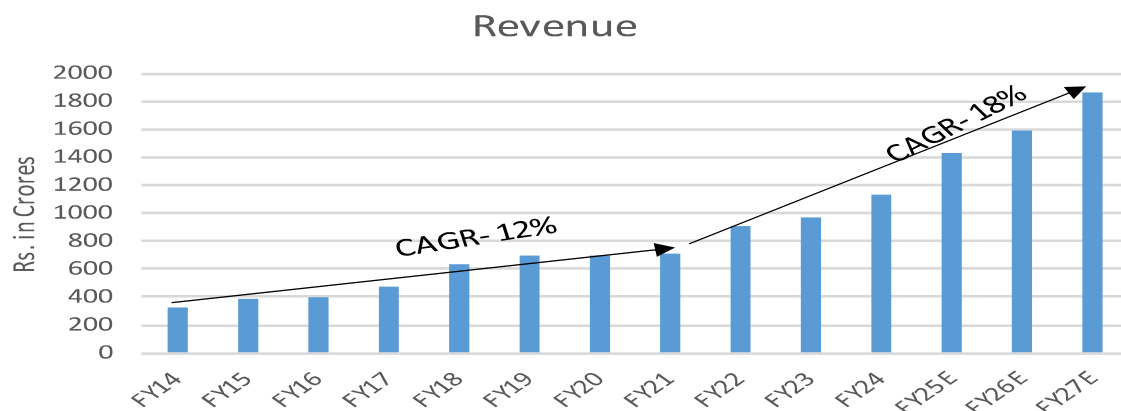


4) CAMSRep (1.3% of Revenue)

- ◆ CAMS Insurance Repository Services (CAMSRep) is a licensed insurance repository regulated by IRDAI (Insurance Regulatory and Development Authority of India), providing a secure digital platform for policyholders to manage their insurance policies electronically.
- ◆ It allows users to hold and access their life insurance policies in electronic format through an e-insurance account, simplifying policy management and reducing the need for physical documents.
- ◆ CAMSRep facilitates streamlined services such as premium payments, policy updates, and claims processing while ensuring robust data security and regulatory compliance.
- ◆ By offering a centralized repository for policies from multiple insurers, CAMSRep enhances convenience, transparency, and operational efficiency for both policyholders and insurers.
- ◆ CAMSRep has recently signed an agreement with LIC for providing Insurance Repository Services. Consequent to this, the insurance policies issued by LIC, the country's largest life insurer, can be issued in electronic (dematerialised format) through e-Insurance Accounts (eIA) that can be opened with CAMSREP.

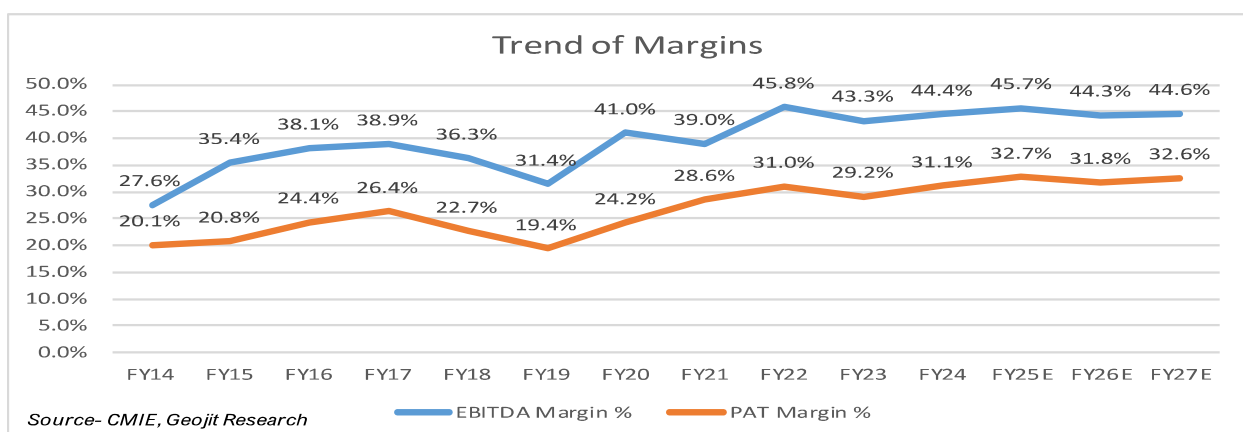
Financial Analysis

- ◆ Revenue has grown at a healthy growth of ~13% CAGR in the last decade. This growth was mainly driven by the rise in MF AUM which grew at ~19% CAGR during the same period.
- ◆ The revenue growth is also a reflection of the company's strong market position and expanding services.
- ◆ As the leading registrar and transfer agent for mutual funds, the company benefits from the rising retail participation in equity assets. This is reflected in the rise of revenue at a CAGR of 18% post COVID.

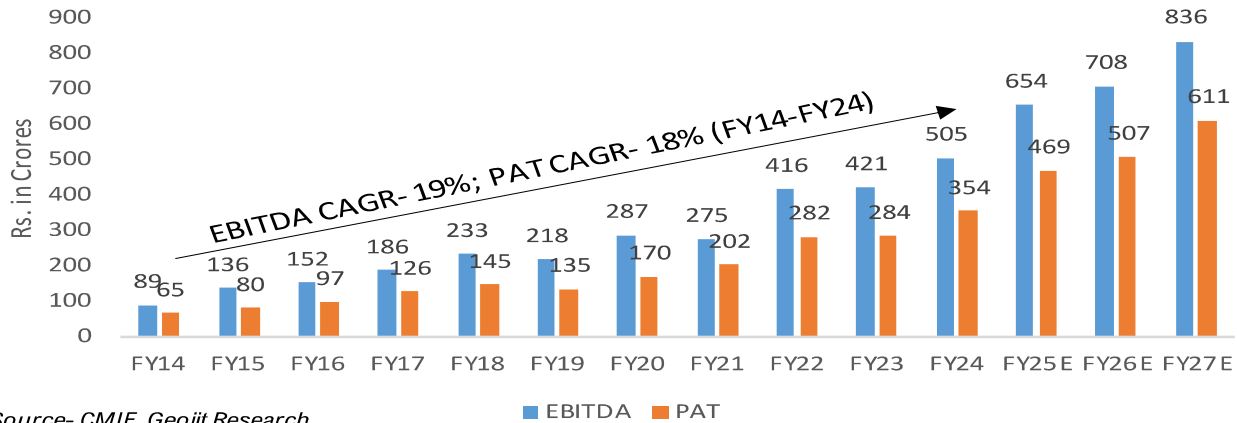


Source- CMIE, Geojit Research

- ◆ Going forward, we expect revenue to grow at a CAGR of ~18% over FY24 - FY27E supported by an increase in industry AUM and a ramp-up in revenues of non-MF verticals.
- ◆ With a strong focus on innovation and customer-centric solutions, CAMS is well-positioned to sustain its revenue growth in the future, capitalizing on the increasing demand for financial services and the expanding mutual fund industry in India.



Operating and Net Profit trend



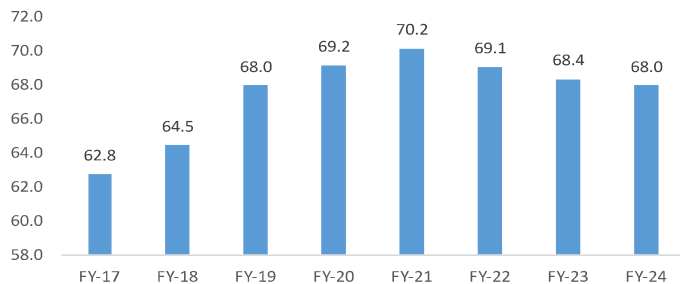
- ◆ Going forward, we expect EBITDA margin to maintain at ~44% levels and PAT margin to maintained at ~32%.
- ◆ CAMS' ability to maintain high profitability margins while growing its revenue base underscores its market leadership and resilience in a competitive industry.

Peer Analysis: Higher margins, better return ratio and lower PE multiple compared to peer

Company	Mcap(cr)	Revenue			EBITDA Margin(%)			Rev. CAGR	EBITDA CAGR	RoE	P/E- 1yr fwd
		FY22	FY23	FY24	FY22	FY23	FY24	FY22-24	FY22-24		Current
CAMS	18,306	910	972	1137	45.8%	43.3%	44.4%	11.8%	10.1%	41.7%	36.1
Kfin	17,575	640	720	838	45.0%	41.4%	43.8%	14.4%	12.8%	24.5%	44.7

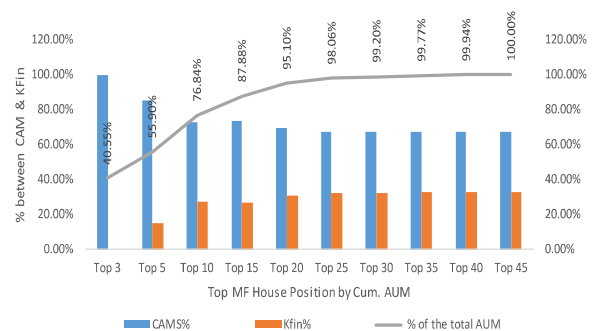
Source- Company, Bloomberg, Geojit Research

CAMS MF Market Share %



Source: Company, Geojit Research

Position in servicing of top AMC's (as on Dec-24)



Source: AMFI, Geojit Research

- ◆ CAMS has started entering into international business. They have won the 1st international MF-RTA mandate from CeyBank AMC, Singapore, which is positive towards mitigation of moderation in market share.
- ◆ CAMS continue to be the preferred partner for top AMC's.
- ◆ Currently, CAMS is the market leader with 68% market share.

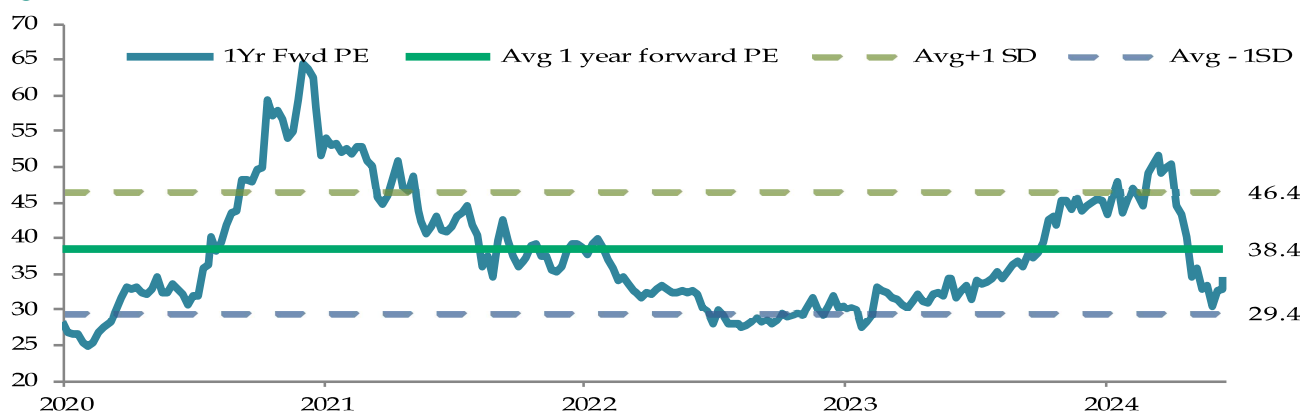
Major Risks

- ◆ **Market Risk** - A sustained bear market can adversely affect revenues.
- ◆ **Concentration Risk** - At present, ~88% of revenue of CAMS is derived from MF RTA business. Although CAMS has diversified into other business lines, there is a risk that the diversification does not pan out as planned.
- ◆ **Regulatory Risk** - If change in regulations lead to further decline in Total Expense Ratio (TER), it might affect the fees received by RTAs as asset managers try to maintain their own profitability.
- ◆ **Higher Yield Compression** - A higher than expected decline in yields for RTAs could lead to less than expected margin expansion.
- ◆ **Cyber Security Risk** - Hacking, data breaches and other similar threats may adversely affect business operations.

Valuation & Outlook

The stock price of CAMS is highly correlated with mutual fund industry AUM. In the last 5 years there has been a significant increase in the proportion of non-debt AUM, led by equity-oriented funds, in the overall AUM mix of mutual funds. After listing in Oct 2020, the valuation of CAMS soared to a peak of 65x during Q2FY22 as equity markets surged after the pandemic. After that the valuations took a hit and dropped to as low as ~30x during April 2023 as the markets plateaued. The last bull run, which started around May 2023, supported the rise in valuations, which hit a high of ~49x in December 2024. **The recent correction in equity markets has led to a sharp fall in valuations and has reached a recent low of ~31x compared to a 5-year average of ~40x, which is expected to recover as the market rebounds. Currently the stock trades at 36x. Over FY25-FY27E we expect the earnings growth to be ~14% CAGR. We value CAMS at a 36x multiple on FY27E EPS.**

1 year Fwd. P/E Chart



Source: Bloomberg, Geojit Research

Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	972	1,137	1,433	1,597	1,874
% change	6.8	16.9	26.1	11.5	17.3
EBITDA	421	505	654	708	836
% change	1.1	19.9	29.6	8.1	18.1
Depreciation	60	70	74	76	79
EBIT	361	434	580	632	757
Interest	8	8	8	8	7
Other Income	24	38	50	50	65
PBT	380	467	622	674	815
% change	-0.1	22.9	33.2	8.5	20.8
Tax	97	116	159	172	208
Tax Rate	25.5%	24.8%	25.5%	25.5%	25.5%
Reported PAT	285	354	469	507	611
Adj*	2	0	0	0	0
Adj PAT	284	354	469	507	611
% change	0.5	24.6	32.6	8.3	20.4
No. of shares (cr)	4.9	4.9	4.9	4.9	4.9
Adj EPS (Rs.)	58.5	72.0	94.9	102.8	123.8
% change	0.3	24.3	32.0	8.3	20.4
DPS (Rs.)	38	42	70	75	80
CEPS (Rs.)	70.2	86.3	110.0	118.1	139.7

CASH FLOW

Y.E March (Rs. cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Net inc. + Depn.	346	424	543	583	690
Non-cash adj.	-17	-20	0	0	0
Other adjustments	25	30	3	3	3
Changes in W.C	-34	-32	-75	-11	-19
C.F. Operation	320	402	471	575	673
Capital exp.	-45	-38	-42	-27	-27
Change in inv.	5	-51	-20	-130	-250
Other invest.CF	-54	-59	0	0	0
C.F – Investment	-102	-188	-62	-157	-277
Issue of equity	7	14	0	0	0
Issue/repay debt	-20	-23	-8	-8	-6
Dividends paid	-185	-206	-346	-370	-395
Other finance.CF	-8	-8	-8	-8	-7
C.F – Finance	-205	-224	-362	-386	-408
Chg. in cash	12	-10	47	32	-11
Closing cash	16	7	54	86	74

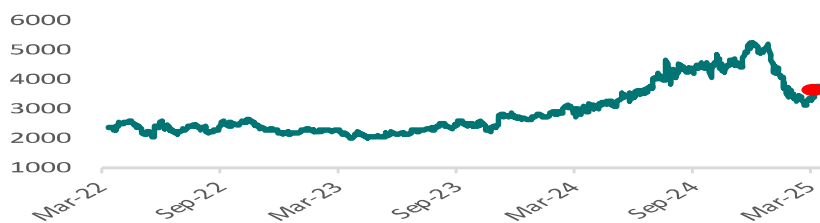
BALANCE SHEET

Y.E March (Rs. cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	16	7	54	86	74
Accounts Receivable	34	70	86	96	118
Inventories	0	0	0	0	0
Other Cur. Assets	357	516	557	576	614
Investments	330	407	427	557	807
Gross Fixed Assets	394	439	479	499	519
Net Fixed Assets	169	165	130	75	16
CWIP	9	13	5	5	5
Intangible Assets	163	211	222	228	235
Def. Tax (Net)	27	32	32	32	32
Other Assets	16	18	24	26	31
Total Assets	1,122	1,438	1,537	1,681	1,932
Current Liabilities	155	284	270	289	322
Provisions	72	72	79	79	87
Debt Funds	93	96	88	80	74
Other Liabilities	19	70	62	58	57
Equity Capital	49	49	49	49	49
Reserves & Surplus	733	865	989	1,126	1,342
Shareholder's Fund	782	915	1,038	1,175	1,391
Total Liabilities	1,122	1,438	1,537	1,681	1,932
BVPS (Rs.)	155	180	202	228	271

RATIOS

Y.E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	43.3	44.4	45.7	44.3	44.6
EBIT margin (%)	37.1	38.2	40.5	39.6	40.4
Net profit mgn.(%)	29.2	31.1	32.7	31.8	32.6
ROE (%)	39.7	41.7	48.0	45.9	47.6
ROCE (%)	27.1	28.9	33.3	32.2	33.8
W.C & Liquidity					
Receivables (days)	11.5	16.7	19.9	20.9	20.9
Inventory (days)	0.0	0.0	0.0	0.0	0.0
Payables (days)	18.0	17.9	15.8	14.8	14.6
Current ratio (x)	4.2	3.2	3.8	4.3	4.7
Quick ratio (x)	0.3	0.2	0.5	0.6	0.6
Turnover & Leverage					
Gross asset T.O (x)	2.6	2.7	3.1	3.3	3.7
Total asset T.O (x)	0.7	0.9	1.0	1.0	1.0
Int. coverage ratio (x)	47.4	52.9	68.7	83.3	111.3
Adj. debt/equity (x)	0.1	0.1	0.1	0.1	0.1
Valuation					
EV/Sales (x)	18.3	15.7	12.4	11.0	9.3
EV/EBITDA (x)	42.2	35.2	27.2	24.9	20.8
P/E (x)	63.6	51.2	38.8	35.8	29.8
P/BV (x)	23.1	19.8	17.5	15.5	13.1

Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research

Dates	Rating	Target
28-Mar-25	Accumulate	4,425

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:  Upgrade  No Change  Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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