

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	UTIAM IN
Equity Shares (m)	129
M.Cap.(INRb)/(USDb)	133.1 / 1.4
52-Week Range (INR)	1472 / 897
1, 6, 12 Rel. Per (%)	7/-15/-8
12M Avg Val (INR M)	239

### Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
AAUM	3,804	4,278	4,882
MF Yield (bp)	33.0	32.0	31.0
Rev from Ops	15.4	17.2	19.1
Core PAT	3.4	5.9	6.8
PAT	4.7	8.4	9.5
PAT (bp as AAUM)	15	20	19
Core EPS	27	46	53
EPS	37	66	74
EPS Grw. (%)	-42	78	13
BVPS	354	374	396
RoE (%)	10	18	19
Div. Payout (%)	94	70	70

### Valuations

Mcap/AUM (%)	3.5	3.1	2.7
P/E (x)	27.9	15.7	13.9
P/BV (x)	2.9	2.8	2.6
Div. Yield (%)	3.9	4.4	5.0

### Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	0.0	0.0	0.0
DII	60.1	60.0	59.7
FII	7.1	7.3	7.9
Others	32.8	32.7	32.4

FII includes depository receipts

**CMP: INR1,036**      **TP: INR1,270 (+23%)**      **Buy**

## Elevated operating expenses lead to an EBITDA miss...

### ...while the negative other income affects PAT

- UTI AMC's revenue from operations came in at INR 3.7b (in line), reflecting a growth of 4% YoY, but it declined 5% QoQ. Yield on management fees was 38.6bp in 4QFY26 vs. 42.4bp in 4QFY25 and 40.1bp in 3QFY26. For FY26, it came in at INR15.4b, up 7% YoY.
- Total opex came in at INR2.3b, registering a growth of 10% YoY/6% QoQ. As a bp of QAAUM, opex stood at 23.4bp in 4QFY26 (vs. 24.3bp in 4QFY25). EBITDA was INR1.5b in 4QFY26 (11% miss due to higher other expenses). EBITDA margin came in at 39.3% vs. 42.6% in 4QFY25 and 45.6% in 3QFY26.
- PAT stood at negative INR514m in 4QFY26 vs. our est. of INR1.2b. For FY26, PAT came in at INR5.8b, up 61% YoY.
- Regarding the TER regulations effective Apr'26, management indicated to fully pass on the impact to distributors, resulting in no material impact on the company's P&L. However, the company anticipates a 1-2bp compression in yields, primarily due to an increasing mix of passive products and a tilt toward lower-duration debt funds.
- Despite an AUM decline driven by current trends, the impact on revenue is partially offset by lower employee costs, resulting in an increase in core EPS for FY27 and broadly stable earnings for FY28. **We reiterate our BUY rating with a one-year TP of INR1,270, based on 24x FY28E core EPS.**

### MF yields continue to dip

- Overall MF QAAUM grew 14% YoY but flat QoQ at INR3.9t. Equity/Hybrid/ETFs/Index/Debt funds experienced a YoY growth of 5%/31%/25%/25%/3%.
- Equity QAAUM contributed 32% to the mix in 4QFY26 vs. 33% in 4QFY25. Debt/liquid schemes contributed 6%/14% to the mix in 4QFY26 (7%/15% in 4QFY25). ETFs/Index contributed 34%/11% to the mix (31%/10% in 4QFY25).
- The MF segment's yield dipped to 31bp (from 34bp in 4QFY25), as the contribution from equity declined. Overall net inflows for UTI were negative INR4.5b vs. positive flows of INR6.7b in 4QFY25 and INR58.6b in 3QFY26.
- Equity/Liquid/Income outflows for the quarter were INR1.3b/INR67b/INR36b, while ETFs & Index schemes garnered inflows of INR100b.
- Gross inflows mobilized through SIPs stood at INR24.6b in 4QFY26, with the SIP AUM increasing to INR398.1b (+6% YoY). Live folios remained stable sequentially at 13.8m as of the end of Mar'26.
- The overall MF AAUM market share declined to 6.5% from 7.4% in Mar'25. UTI AMC's market share in Passive/NPS AUM was largely stable at 12%/24%. The market share in Equity/Hybrid/Cash & Arbitrage/Debt Funds stood at 3%/ 4%/4%/3% in Mar'26.
- The distribution mix in QAAUM remained largely stable in 4Q, with the direct channel dominating the mix at 73%, followed by MFDs at 20% and BND at 7% share. However, with respect to equity AUM, MFDs contributed 52% to the distribution mix.

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

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- As a bp of QAAUM, the cost increased QoQ to 23.4bp in 4QFY26 (vs. 21.8p in 3QFY26), and the cost-to-income ratio increased sequentially to 60.7% (from 54.4% in 3QFY26). Employee costs grew 14% YoY to INR1.3b. For FY27, the employee cost run rate is likely to be at INR1.25b–1.3b per quarter on a consolidated basis. Other expenses grew 5% YoY to INR944m and are guided to grow at ~10% consolidated going forward.
- Other income was at negative INR1.5b in 4QFY26, led by MTM losses. Total investments as of Mar'26 remained steady at INR39.9b, with 72%/14%/6%/8% being segregated into MFs/Offshore/Venture Funds/G-Sec/Bonds.
- The number of digital transactions during the quarter grew 23% YoY to 6.1m, while online gross sales were at ~89.5%.

#### **Yields improve in the UTI International and UTI Capital segments**

- Total Group AUM stood at INR23.4t, up 11% YoY, of which MF AUM stood at INR3.9t, up 14% YoY. Non-MF AUM grew 11% YoY to INR19.5t, with PMS AUM growing 11% YoY to INR15.3t. UTI Capital grew 38% YoY to INR36b, and UTI Pension AUM grew 12% YoY to INR4t. UTI International AUM declined 35% YoY to INR165b.
- Yields on PMS and Pension businesses largely remained stable YoY, while yields improved YoY for International/Capital businesses to 66bp/88bp.

#### **Key takeaways from the management commentary**

- Equity net flows have been improving toward breakeven after earlier negative trends. SIP growth and multi-product distribution are key levers to improve net equity inflows.
- Digital initiatives led to a 2.3% revenue increase, 33% rise in transactions, and 31% reduction in cost per transaction.
- On the international business front, the company's performance was hit by global outflows. The strategy remains to diversify into alternatives and wait for a cyclical recovery in the global sentiment.

#### **Valuation and view**

- The core AMC operations of UTI AMC have experienced consistent growth in AUM, supported by a diversified product mix, with a strong tilt toward equity, healthy SIP inflows, and robust retail traction.
- Going forward, improving the performance of equity schemes will be key for a rise in contributions from equity schemes, resulting in yield improvement. Despite an AUM decline driven by current trends, the impact on revenue is partially offset by lower employee costs, resulting in an increase in core EPS for FY27 and broadly stable earnings for FY28. **We reiterate our BUY rating with a one-year TP of INR1,270, based on 24x FY28E core EPS.**

**Quarterly Performance**

(INR m)

Y/E March	FY25				FY26				FY25	FY26	4Q FY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Revenue from Operations	3,368	3,730	3,754	3,602	3,793	3,900	3,947	3,749	14,453	15,389	3,876	-3.3	4.1	-5.0
Change YoY (%)	19.1	27.9	29.4	13.4	12.6	4.6	5.2	4.1	22.3	6.5	7.6			
Fees & Commission	6	6	7	8	8	8	10	12	26	38	13	-3.5	62.7	22.0
Employee Expenses	1,137	1,153	1,128	1,162	1,292	1,588	1,327	1,320	4,580	5,527	1,380	-4.4	13.6	-0.6
Other expenses	638	742	714	899	770	817	811	944	2,992	3,342	838	12.6	5.1	16.4
Total Operating Expenses	1,781	1,901	1,848	2,068	2,069	2,413	2,148	2,276	7,598	8,907	2,231	2.0	10.1	5.9
Change YoY (%)	6.0	10.2	4.9	10.2	16.2	26.9	16.3	10.1	7.9	17.2	7.9			
<b>EBITDA</b>	<b>1,587</b>	<b>1,829</b>	<b>1,906</b>	<b>1,534</b>	<b>1,724</b>	<b>1,487</b>	<b>1,799</b>	<b>1,473</b>	<b>6,856</b>	<b>6,483</b>	<b>1,645</b>	<b>-10.5</b>	<b>-4.0</b>	<b>-18.1</b>
EBITDA margin (%)	47.1	49.0	50.8	42.6	45.4	38.1	45.6	39.3	47.4	42.1	42	-316 bp	-329 bp	-629 bp
Other Income	1,970	1,671	451	158	1,693	314	1,232	-1,476	4,249	1,763	30	-5,100.5	-1036.7	-219.8
Depreciation	112	112	113	118	123	127	127	132	455	509	134	-1.1	11.9	4.3
Finance Cost	32	31	32	33	34	33	33	32	127	132	35	-8.3	-3.3	-4.2
<b>PBT</b>	<b>3,413</b>	<b>3,357</b>	<b>2,212</b>	<b>1,540</b>	<b>3,260</b>	<b>1,641</b>	<b>2,871</b>	<b>-167</b>	<b>10,522</b>	<b>7,605</b>	<b>1,506</b>	<b>-111.1</b>	<b>-110.9</b>	<b>-105.8</b>
<b>Exceptional item (VRS &amp; Labour costs)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,089</b>			<b>1,089</b>				
Tax Provisions	670	726	476	520	722	319	405	346	2,392	1,792	357	-2.9	-33.4	-14.4
<b>Net Profit</b>	<b>2,743</b>	<b>2,631</b>	<b>1,736</b>	<b>1,020</b>	<b>2,539</b>	<b>1,322</b>	<b>1,378</b>	<b>-514</b>	<b>8,130</b>	<b>4,725</b>	<b>1,150</b>	<b>-144.7</b>	<b>-150.4</b>	<b>-137.3</b>
Change YoY (%)	17.0	43.9	-14.6	-43.8	-7.5	-49.7	-20.6	-150.4	1.4	-41.9	12.7			
<b>Core PAT</b>	<b>1,160</b>	<b>1,321</b>	<b>1,382</b>	<b>916</b>	<b>1,220</b>	<b>1,069</b>	<b>1,408</b>	<b>962</b>	<b>4,779</b>	<b>4,660</b>	<b>1,127</b>	<b>-14.6</b>	<b>5.1</b>	<b>-31.7</b>
Change YoY (%)	39.1	50.1	76.3	-4.6	5.2	-19.1	1.9	5.1	38.2	-2.5	23.1			

Key Operating Parameters (%)	1Q FY25	2Q FY25	3Q FY25	4Q FY25	1Q FY26	2Q FY26	3Q FY26	4Q FY26	FY25	FY26E	4Q FY26E	Act vs. Est. (%)	YoY	QoQ
Revenue / AUM (bp)	43.4	43.6	42.6	42.4	42.0	41.2	40.1	38.6	46.5	42.6	40	213 bp	-380 bp	-149 bp
Opex / AUM (bp)	22.9	22.2	21.0	24.3	22.9	25.5	21.8	23.4	24.5	24.7	23	-3 bp	-91 bp	161 bp
PAT / AUM (bp)	35.3	30.7	19.7	12.0	28.1	14.0	14.0	-5.3	26.2	13.1	12	1630 bp	NA	NA
Cost to Operating Income Ratio	52.9	51.0	49.2	57.4	54.6	61.9	54.4	60.7	52.6	57.9	57.6	-299 bp	329 bp	629 bp
EBITDA Margin	47.1	49.0	50.8	42.6	45.4	38.1	45.6	39.3	47.4	42.1	42.4	299 bp	-329 bp	-629 bp
Tax Rate	19.6	21.6	21.5	33.8	22.1	19.4	14.1	-206.8	22.7	23.6	23.7	-154 bp	NA	NA
PAT Margin	81.4	70.5	46.2	28.3	66.9	33.9	34.9	-13.7	56.2	30.7	29.7	3726 bp	NA	NA
Core PAT Margin	34.4	35.4	36.8	25.4	32.2	27.4	35.7	25.7	33.1	30.3	29.1	309 bp	25 bp	-1000 bp



## Key takeaways from the management commentary

### Business

- The company's strategy to capture a larger share in the MF growth includes depending on retail participation, particularly through SIPs, expanding its distribution footprint beyond metro markets into B-30 cities and emerging geographies, strengthening its equity product suite across styles and categories, and continuing investments in technology and process improvements.
- Fixed income: ~50% of AUM ranked in the top two quartiles (1-year) and ~60% (3-year).
- Market share in total gross sales stood at 5.5% for Q4 and 6.1% for FY26.
- The company added 0.7m new investors (PAN-based), taking total folios to 13.8m.
- Digital initiatives led to a 2.3% revenue increase, 33% rise in transactions, and 31% reduction in cost per transaction.
- AI-powered contact center "Vaani" automated 59% of inbound calls, improving efficiency.
- The company launched WhatsApp-based transaction and payment capability via CAMS Pay, becoming the first AMC in India to do so.

- Total employee count reduced to 1,248 (Mar'26) from 1,402 (Mar'24), reflecting efficiency gains and workforce restructuring.

#### **Yields**

- Yield: Equity/ETF & Index/Cash & Arbitrage/Debt at ~75bp/~8bp/~10bp/~18-19b. On blended basis: ~32bp.
- Yield dynamics remain mix-driven, with passive growth exerting mild downward pressure.
- With regard to the regulation effective Apr'26 of 5bp TER removal, the company indicated to pass on the impact to the distributions with no impact on the P&L.
- Expected yield compression of 1–2bp due to mix shift toward passive and lower-duration debt.

#### **SIP flows**

- Gross SIP registrations crossed 1.5m, with 76% sourced digitally.
- SIP inflows rose to INR94.4b (+13.4% YoY), with active SIP folios at 2.9m (+9.7%).
- Equity net flows have been improving toward breakeven after earlier negative trends. SIP growth and multi-product distribution are key levers to improve net equity inflows.
- The strategy is to diversify flows across multiple funds rather than rely on flagship schemes to maintain a sustained flow trend.

#### **Non-Mutual Fund Businesses**

- In the international business, the performance was impacted by global outflows. The strategy remains to diversify into alternatives and wait for a cyclical recovery in the global sentiment.
- Passive business scaled significantly, with ETF AUM at INR189.6b and index funds at INR59.3b (total ~INR249b), maintaining leadership in smart beta.
- A strong pipeline of passive launches is expected to support future growth.
- Pension AUM grew 11.8% YoY, with private sector pension AUM growing 46% YoY, reinforcing this as a key strategic growth area.

#### **Product & Distribution**

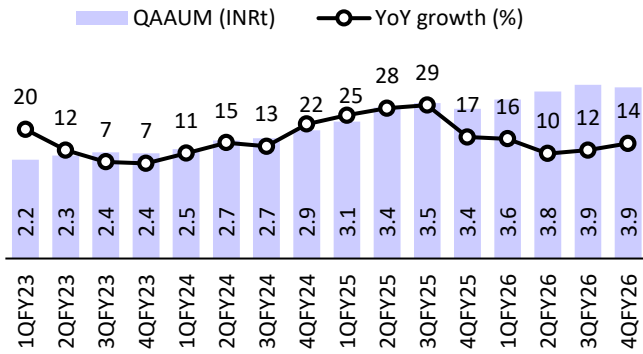
- The company expanded geographically while maintaining net zero incremental costs through efficiency improvements.
- On the distribution front, the company has increased engagement with fintech partners and is witnessing strong traction from these channels, complementing its traditional distribution network. This dual approach of leveraging both institutional (banks) and digital (fintech) channels is expected to sustain and enhance distribution reach in a competitive environment.
- Supervisor-to-sales ratio improved to ~1:5 from ~1.3, enhancing productivity.
- Upcoming passive launches include Nifty 500, sector leaders, new-age consumption, and internet funds (both ETF and index formats). Active strategy remains focused on core diversified categories.
- Plans to launch at least one product in the new SIF category, and plans expansions into GIFT City with a retail license to enable global and outbound investment opportunities.

### Financial Performance

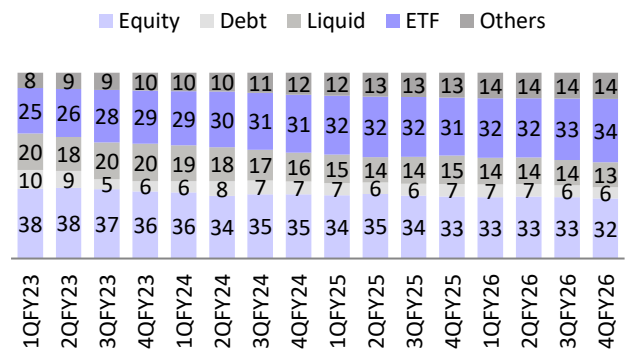
- Employee cost included ~INR1.3b one-offs (VRS + pension) and INR40m labor code impact.
- For FY27, the employee cost run-rate is expected to be at: INR900m–950m/quarter, standalone at INR1.25-1.3b on a consolidated basis.
- Other expenses grew ~15% due to digital (INR80m spent in building iCloud infrastructure) and branch expansion investments (~90 added in the last 1.5 years); expected to grow ~7–8% standalone and ~10% consolidated going forward.
- The company currently holds a significant cash and investment balance of ~INR40b–45b at the consolidated level, with no plans for buybacks or any major capital restructuring in the near term.
- Others
- UTI AMC was selected again as a portfolio manager for EPFO for the third consecutive term.
- It was also retained as one of two portfolio managers for Coal Mines Provident Fund Organisation (CMPFO) for a second consecutive term.

Financials & Valuation (INR b) Y/E March	New		Old		Change in estimates	
	2027E	2028E	2027E	2028E	2027E	2028E
AAUM (INRb)	4,278	4,882	4,355	4,986	-2%	-2%
MF Yield (bp)	32.0	31.0	32.0	31.0	0bp	0bp
Rev from Ops	17.2	19.1	17.3	19.3	-1%	-1%
Core PAT	5.9	6.8	5.7	6.8	3%	-1%
PAT	8.4	9.5	9.1	10.4	-7.6%	-9.2%
PAT(bp as AAUM)	20	19	21	21	-12bp	-15bp
Core EPS	46	53	45	54	3%	-1%
EPS	66	74	71	82	-7.6%	-9.2%
EPS Grw.	78	13	42	15		
BVPS	374	396	442	466	-15%	-15%
RoE (%)	18	19	17	18	16bp	13bp
Div. Payout (%)	70	70	70	70	0bp	0bp

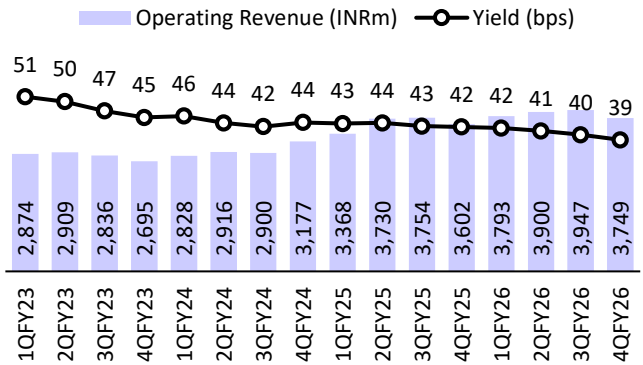
## Key Exhibits

**Exhibit 1: AUM grew 14% YoY in 4Q**


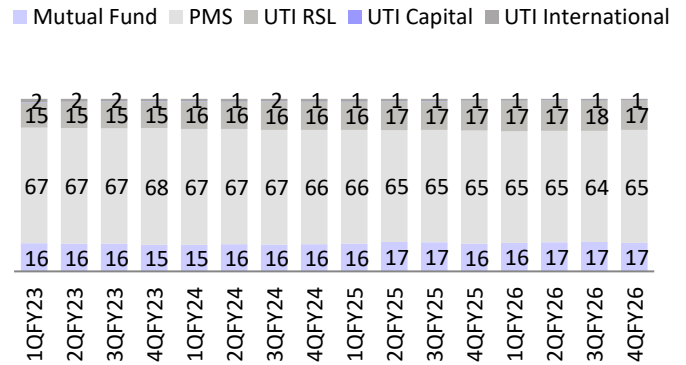
Source: MOFSL, Company

**Exhibit 2: AUM mix (%)**


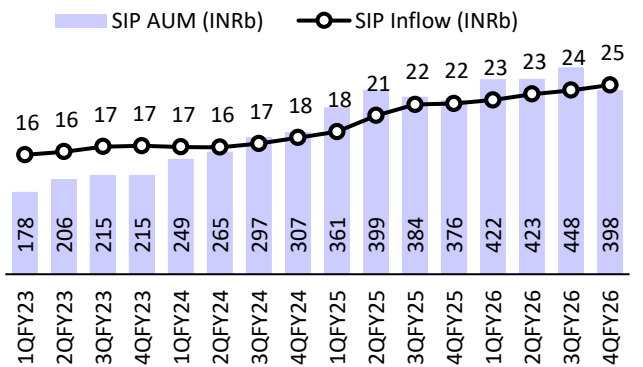
Source: MOFSL, Company

**Exhibit 3: Yields declined sequentially**


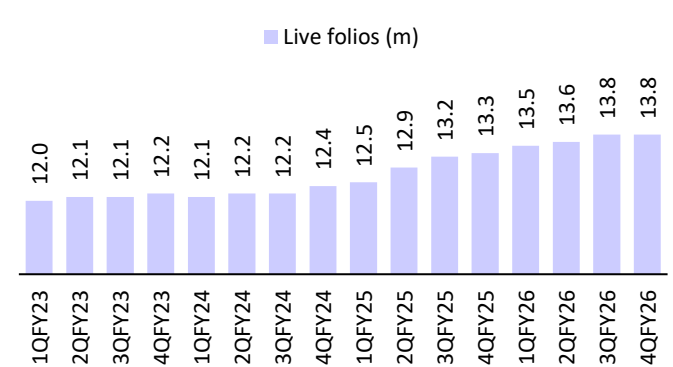
Source: MOFSL, Company

**Exhibit 4: Overall AUM mix segment-wise (%)**


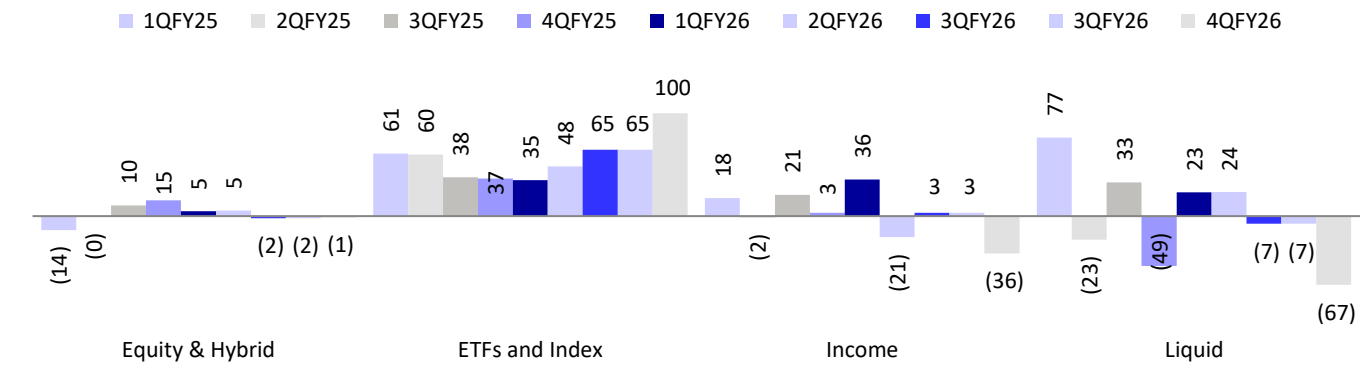
Source: MOFSL, Company

**Exhibit 5: SIP AUM declined sequentially**


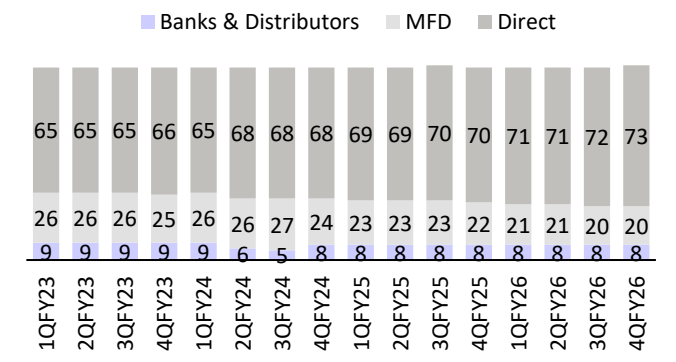
Source: MOFSL, Company

**Exhibit 6: Live folios remained flat QoQ**


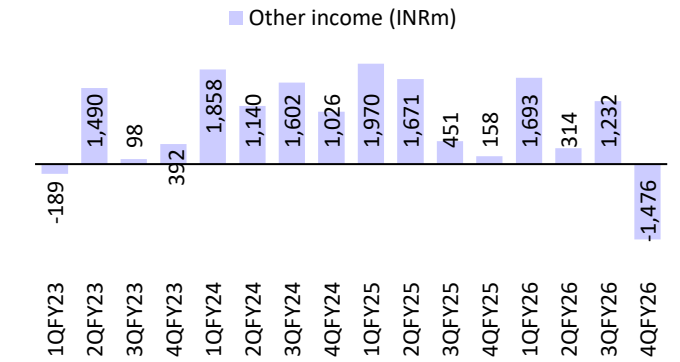
Source: MOFSL, Company

**Exhibit 7: Net equity inflows were negative in 4QFY26 (INR b)**


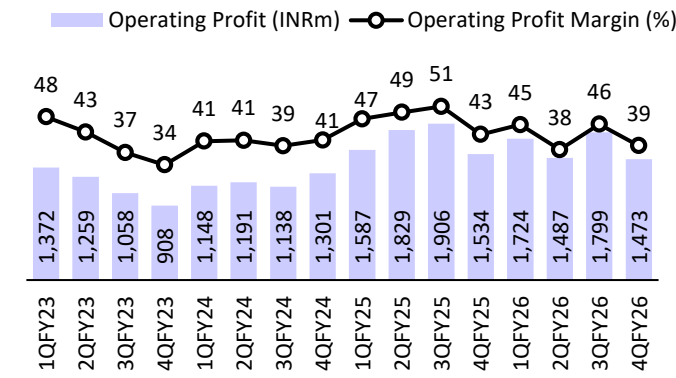
Source: MOFSL, Company

**Exhibit 8: Distribution mix (%)**


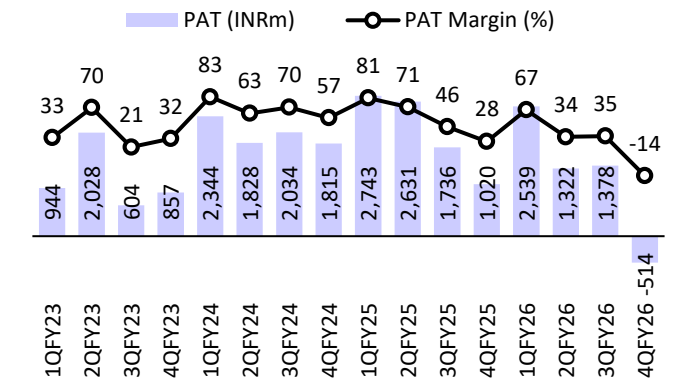
Source: MOFSL, Company

**Exhibit 9: Other income declined in 4QFY26**


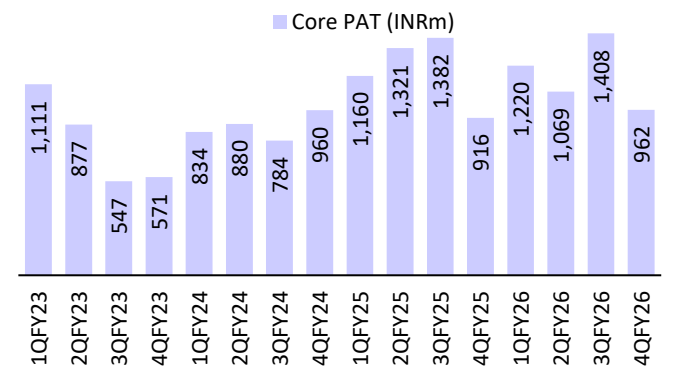
Source: MOFSL, Company

**Exhibit 10: Trend in operating profit**


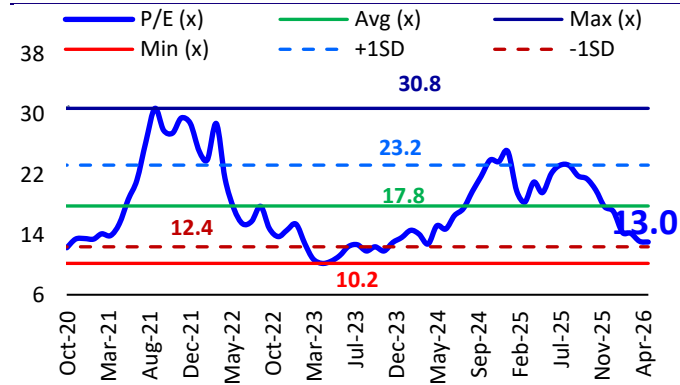
Source: MOFSL, Company

**Exhibit 11: PAT margin declined due to negative other income**


Source: MOFSL, Company

**Exhibit 12: Trend in core PAT**


Source: MOFSL, Company

**Exhibit 13: One-year forward P/E**


Source: MOFSL, Company

## Financials and valuations

								INR m	
Income Statement									
Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Investment management fees	7,879	8,066	11,189	11,314	11,821	14,453	15,389	17,153	19,066
Change (%)	-11.5	2.4	38.7	1.1	4.5	22.3	6.5	11.5	11.1
Operating Expenses	5,057	5,253	6,211	6,550	7,036	7,495	8,895	8,957	9,676
<b>Core Operating Profits</b>	<b>2,822</b>	<b>2,812</b>	<b>4,978</b>	<b>4,764</b>	<b>4,785</b>	<b>6,958</b>	<b>6,494</b>	<b>8,197</b>	<b>9,390</b>
Change (%)	-16.6	-0.3	77.0	-4.3	0.4	45.4	-6.7	26.2	14.6
Dep/Interest/Provisions	398	438	460	495	535	583	641	681	725
<b>Core PBT</b>	<b>2,424</b>	<b>2,374</b>	<b>4,518</b>	<b>4,269</b>	<b>4,250</b>	<b>6,375</b>	<b>5,854</b>	<b>7,515</b>	<b>8,665</b>
Change (%)	-19.5	-2.1	90.3	-5.5	-0.5	50.0	-8.2	28.4	15.3
Other Income	1,031	3,663	2,084	1,587	5,619	4,146	1,751	3,262	3,491
<b>PBT</b>	<b>3,454</b>	<b>6,036</b>	<b>6,602</b>	<b>5,856</b>	<b>9,868</b>	<b>10,522</b>	<b>7,605</b>	<b>10,778</b>	<b>12,156</b>
Change (%)	-29.7	74.7	9.4	-11.3	68.5	6.6	-27.7	41.7	12.8
Exceptional item							-1,089.0		
Tax	690	1,087	1,257	1,459	1,848	2,392	1,792	2,371	2,674
Tax Rate (%)	20.0	18.0	19.0	24.9	18.7	22.7	23.6	22.0	22.0
<b>PAT before non-controlling interest</b>	<b>2,765</b>	<b>4,949</b>	<b>5,346</b>	<b>4,397</b>	<b>8,020</b>	<b>8,130</b>	<b>4,724</b>	<b>8,407</b>	<b>9,481</b>
Change (%)	-20.5	79.0	8.0	-17.7	82.4	1.4	-41.9	77.9	12.8
Less: Non-controlling interest	35	0	0	0	0	0	0	0	0
<b>PAT</b>	<b>2,730</b>	<b>4,949</b>	<b>5,346</b>	<b>4,397</b>	<b>8,020</b>	<b>8,130</b>	<b>4,724</b>	<b>8,407</b>	<b>9,481</b>
Change (%)	-22.6	81.3	8.0	-17.7	82.4	1.4	-41.9	77.9	12.8
Core PAT	1,905	1,946	3,658	3,206	3,454	4,926	3,386	5,862	6,758
Change (%)	-12.6	2.1	88.0	-12.4	7.7	42.6	-31.3	73.1	15.3
Dividend (incl. tax)	888	2,155	2,666	2,794	5,983	6,143	5,141	5,885	6,637

								INR m	
Balance Sheet									
Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
Equity Share Capital	1,268	1,268	1,270	1,270	1,273	1,280	1,285	1,285	1,285
Reserves & Surplus	26,465	31,102	34,907	37,409	48,460	50,324	43,761	46,283	49,127
<b>Net Worth</b>	<b>27,733</b>	<b>32,370</b>	<b>36,177</b>	<b>38,678</b>	<b>49,732</b>	<b>51,603</b>	<b>45,046</b>	<b>47,568</b>	<b>50,413</b>
Borrowings	0	0	0	0	0	0	0	0	0
Other Liabilities	3,816	4,279	3,701	3,071	3,678	4,981	5,388	5,918	6,549
<b>Total Liabilities</b>	<b>31,549</b>	<b>36,649</b>	<b>39,877</b>	<b>41,749</b>	<b>53,411</b>	<b>56,584</b>	<b>50,434</b>	<b>53,486</b>	<b>56,962</b>
Cash and Investments	24,857	29,631	33,862	36,143	48,744	51,843	45,503	48,037	50,936
Change (%)	3.7	19.2	14.3	6.7	34.9	6.4	-12.2	5.6	6.0
<b>Loans</b>	<b>374</b>	<b>252</b>	<b>136</b>	<b>115</b>	<b>86</b>	<b>74</b>	<b>11</b>	<b>12</b>	<b>13</b>
Change (%)	32.9	-32.8	-46.0	-15.7	-25.0	-14.0	-85.8	11.5	11.1
Net Fixed Assets	3,529	3,545	3,560	3,683	2,886	2,971	2,900	3,185	3,509
Net Current Assets	2,789	3,221	2,320	1,809	1,694	1,696	2,021	2,252	2,504
<b>Total Assets</b>	<b>31,549</b>	<b>36,649</b>	<b>39,877</b>	<b>41,749</b>	<b>53,410</b>	<b>56,584</b>	<b>50,434</b>	<b>53,486</b>	<b>56,962</b>

E: MOSL Estimates

								INR m	
Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
<b>AAAUM (INR B)</b>	<b>1,552</b>	<b>1,593</b>	<b>2,112</b>	<b>2,344</b>	<b>2,699</b>	<b>3,363</b>	<b>3,804</b>	<b>4,278</b>	<b>4,882</b>
Change (%)	-2.5	2.6	32.6	11.0	15.1	24.6	13.1	12.5	14.1
Equity (Including Hybrid)	34.3	34.9	38.7	37.2	34.6	34.0	32.9	32.2	32.4
Debt	18.0	17.3	12.9	7.5	7.1	6.5	6.5	6.5	6.3
Liquid	28.7	22.6	18.5	19.4	17.3	14.6	13.9	13.6	13.1
Others	18.9	25.2	30.0	35.8	41.0	44.9	46.7	47.8	48.1

E: MOFSL Estimates

## Financials and valuations

Cash Flow Statement								INR m	
Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
<b>Cash flow from operations</b>	<b>2,922</b>	<b>5,879</b>	<b>6,110</b>	<b>4,803</b>	<b>8,832</b>	<b>9,187</b>	<b>4,479</b>	<b>9,228</b>	<b>10,370</b>
PBT	3,454	6,036	6,602	5,856	9,868	10,522	6,516	10,778	12,156
Depreciation and amortization	313	358	368	399	423	455	509	549	593
Tax Paid	(690)	(1,087)	(1,257)	(1,459)	(1,848)	(2,392)	(1,792)	(2,371)	(2,674)
Deferred tax	83	519	(723)	(134)	255	295	(205)	(50)	(45)
Interest, dividend income (post-tax)	(144)	(74)	(79)	(178)	(281)	(317)	(326)	-	-
Interest expense (post-tax)	68	66	74	72	92	98	96	103	103
Working capital	(163)	61	1,123	246	324	526	(319)	219	237
<b>Cash from investments</b>	<b>(1,362)</b>	<b>(4,347)</b>	<b>(2,464)</b>	<b>(3,112)</b>	<b>(12,316)</b>	<b>(1,377)</b>	<b>5,267</b>	<b>(3,387)</b>	<b>(4,090)</b>
Capex	(434)	(374)	(383)	(522)	374	(541)	(437)	(835)	(917)
Interest, dividend income (post-tax)	144	74	79	178	281	317	326	-	-
Investments	(1,073)	(4,047)	(2,160)	(2,768)	(12,972)	(1,154)	5,379	(2,553)	(3,174)
<b>Cash from financing</b>	<b>(1,609)</b>	<b>(665)</b>	<b>(1,722)</b>	<b>(2,102)</b>	<b>3,112</b>	<b>(5,965)</b>	<b>(10,350)</b>	<b>(5,742)</b>	<b>(6,427)</b>
Equity	(264)	3	4	(114)	5,854	(232)	(5,607)	-	-
Debt	(93)	(286)	(108)	(134)	170	392	1,027	245	313
Interest costs	(68)	(66)	(74)	(72)	(92)	(98)	(96)	(103)	(103)
Dividend paid	(888)	(2,155)	(2,666)	(2,794)	(5,983)	(6,143)	(5,141)	(5,885)	(6,637)
Others	(296)	1,840	1,123	1,012	3,163	116	(534)	-	-
<b>Change of cash</b>	<b>(49)</b>	<b>867</b>	<b>1,924</b>	<b>(411)</b>	<b>(372)</b>	<b>1,845</b>	<b>(604)</b>	<b>98</b>	<b>(148)</b>
Cash start	1,242	1,193	2,060	3,983	3,572	3,200	5,045	4,440	4,539
Cash end	1,193	2,060	3,983	3,572	3,200	5,045	4,440	4,539	4,391
<b>FCFF</b>	<b>2,488</b>	<b>5,505</b>	<b>5,727</b>	<b>4,280</b>	<b>9,206</b>	<b>8,646</b>	<b>4,041</b>	<b>8,393</b>	<b>9,453</b>

Y/E March	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
<b>Margins Analysis (%)</b>									
Operating income to total income	88.4	68.8	84.3	87.7	67.8	77.7	89.8	84.0	84.5
<b>Cost to Core Income Ratio</b>	<b>64.2</b>	<b>65.1</b>	<b>55.5</b>	<b>57.9</b>	<b>59.5</b>	<b>51.9</b>	<b>57.8</b>	<b>52.2</b>	<b>50.7</b>
EBITDA Margins	35.8	34.9	44.5	42.1	40.5	48.1	42.2	47.8	49.3
<b>Core PBT Margins</b>	<b>30.8</b>	<b>29.4</b>	<b>40.4</b>	<b>37.7</b>	<b>36.0</b>	<b>44.1</b>	<b>38.0</b>	<b>43.8</b>	<b>45.4</b>
PBT Margins (On total income)	38.8	51.5	49.7	45.4	56.6	56.6	44.4	52.8	53.9
<b>Profitability Ratios (%)</b>									
RoE	10.2	16.5	15.6	11.7	18.1	16.0	9.8	18.2	19.4
Dividend Payout Ratio	41.7	43.5	49.5	62.5	72.3	73.8	93.5	70.0	70.0

Valuations	2020	2021	2022	2023	2024	2025	2026	2027E	2028E
BVPS (INR)	218	254	284	304	391	405	354	374	396
Change (%)	5.0	16.7	11.8	6.9	28.6	3.8	-12.7	5.6	6.0
Price-BV (x)	<b>4.8</b>	<b>4.1</b>	<b>3.6</b>	<b>3.4</b>	<b>2.7</b>	<b>2.6</b>	<b>2.9</b>	<b>2.8</b>	<b>2.6</b>
EPS (INR)	21.7	38.9	42.0	34.5	63.0	63.9	37.1	66.0	74.5
Change (%)	-20.5	79.0	8.0	-17.7	82.4	1.4	-41.9	77.9	12.8
Price-Earnings (x)	<b>47.7</b>	<b>26.6</b>	<b>24.7</b>	<b>30.0</b>	<b>16.4</b>	<b>16.2</b>	<b>27.9</b>	<b>15.7</b>	<b>13.9</b>
Core EPS (INR)	15.0	15.3	28.7	25.2	27.1	38.7	26.6	46.1	53.1
Change (%)	-12.6	2.1	88.0	-12.4	7.7	42.6	-31.3	73.1	15.3
Core Price-Earnings (x)	<b>69.2</b>	<b>67.8</b>	<b>36.0</b>	<b>41.1</b>	<b>38.2</b>	<b>26.8</b>	<b>39.0</b>	<b>22.5</b>	<b>19.5</b>
DPS (INR)	7.0	17.0	21.0	22.0	47.0	48.0	40.0	45.8	51.6
Dividend Yield (%)	<b>0.7</b>	<b>1.6</b>	<b>2.0</b>	<b>2.1</b>	<b>4.5</b>	<b>4.6</b>	<b>3.9</b>	<b>4.4</b>	<b>5.0</b>

E: MOFSL Estimates

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