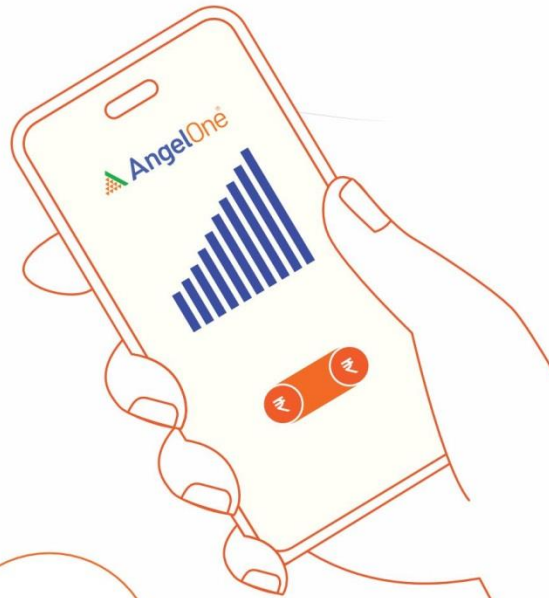


Angel One

Building for the long haul



**A value play on India's
aspiring middle class**

**Driving strong operating leverage
through an integrated investment platform**

**Sustained volumes indicate
positive regulatory oversight**

Angel One

Building for the long haul

We initiate coverage on Angel One with a BUY rating and a target price of INR 2,700, valuing the company at 19x FY27e EPS of INR 141. The company is amongst the largest retail brokers in India, with over 32mn clients, of which 9mn+ are NSE active.

Starting out as a regular offline broker in 1996, the company quickly pivoted to online discount broking in FY20. It saw strong growth across parameters with client base growing at 68% CAGR, net revenue at 80% CAGR and PAT at 90% CAGR over FY20-FY24. Starting in FY24, Angel One has entered adjacent business lines within financial services, including wealth management, asset management, loan origination and life insurance even as regulations around the derivatives business have evolved. Despite regulatory changes with concerns around retail losses in the derivatives segment, the industry has become fairer with up-streaming of client funds, true-to-label charges and limited number of expiry days. Angel One navigated these to maintain FY25 PAT at FY24 levels, even as it invested in adjacent business lines.

We have observed that while new client acquisition and revenue have been volatile, vintage clients have provided steady revenue [Exhibit 411]. In FY25, 39% of net revenue came from clients acquired over FY24-FY25. As the company is incrementally farming its existing client base, we expect revenue to be more recurring, providing a steady runway while it resumes its hunt to return to previous levels as the cost of acquisition normalises.

As the company has been cautious on client acquisition in FY25 and 1HFY26 and is investing in adjacent businesses, we expect PAT to decline by 15% in FY26 over FY25, before it recovers from FY27 onwards.

32mn+ client base makes it a value play on India's aspiring middle class: The overall client base of Angel One has increased at a CAGR of 48% over FY21-FY25 to 32.5mn as of Jun'25. Additionally, its market share in incremental demat accounts in India is more than the overall market share, at 21.7% as of Jun'25, indicating a strong customer acquisition engine, effective customer engagement and long runway of growth.

Willingness and ability to capitalise on adjacencies: Angel One is committed to expanding and scaling its product offerings to provide a platform encompassing an array of financial products. Apart from broking, lending and distribution, Angel One has strategically started its asset management company and wealth management business, and entered into a JV to develop and distribute insurance products. A gradual transition of customers from the broking business to the wealth management business is expected to result in unlocking of growing and recurring revenue streams.

Strong operating leverage of the platform business: Angel One's technology driven, platform-centric business model offers a significant advantage in rapidly scaling its offering across a broad customer base. Once customer acquisition costs are recovered, the recurring income generated from retained clients contributes disproportionately to revenue growth relative to the incremental servicing costs. This dynamic drives strong operating leverage, contingent upon sustained customer retention.

Agile business machinery with a strong promoter provides comfort: Angel One has undergone a remarkable transformation in recent years, successfully shifting from a predominantly physical business model to a fully digital platform. Angel One's ability to manage leadership transitions effectively, while sustaining growth momentum, reflects its robust internal culture and strategic foresight.

Regulatory oversight has made the markets attractive for retail investors: SEBI introduced peak margin norms in FY21-FY22, margin segregation and quarterly payout of client funds in FY23 and ASBA in FY24. With these regulations, the space has become more conducive for retail participation. As a result, individual traders (clients of top 15 brokers) active in the derivatives segment rose from 0.7mn in FY19 to 9.6mn by FY24, implying 68% CAGR.

Recommendation and Price Target	
Current Reco.	BUY
Current Price Target (12M)	2,700
Upside/(Downside)	17.6%

Key Data – ANGELONE IN	
Current Market Price	INR2,297
Market cap (bn)	INR208.2/US\$2.4
Free Float	55%
Shares in issue (mn)	3,063.7
52-week range	3,503/1,941
Sensex/Nifty	80,711/24,741
INR/US\$	88.3

Price Performance			
%	1M	6M	12M
Absolute	-11.7	9.2	-8.4
Relative*	-12.6	0.5	-7.8

* To the BSE Sensex

Financial Summary	(INR mn)				
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Revenue (INR mn)	33,330	41,284	40,011	49,113	60,226
Total expenses (INR mn)	18,193	25,363	27,491	31,925	38,382
PAT (INR mn)	11,255	11,722	9,410	12,719	16,164
YoY growth (%)	26%	4%	-20%	35%	27%
ROA (%)	10.86%	7.78%	5.25%	6.35%	7.2%
RoE (%)	43.3%	27.0%	15.8%	18.9%	21.0%
EPS (INR)	134.0	129.8	104.2	140.9	179.0
EPS YoY (%)	26%	-3%	-20%	35%	27%
P/E (x)	16.8	17.4	21.7	16.0	12.6
BVPS (INR)	361.7	624.5	697.6	793.5	915.4
P/BV (x)	6.2	3.6	3.2	2.8	2.5

Source: Company data, JM Financial. Note: Valuations as of 5/Sep/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Raghvesh
raghvesh@jmfl.com
Tel: (91 22) 66303099

Ajit Kumar
ajit.k@jmfl.com
Tel: (91 22) 66303489

Shubham Karvande
shubham.karvande@jmfl.com
Tel: (91 22) 66303696

Shreyas Pimple
shreyas.pimple@jmfl.com
Tel: (91 22) 66301881

Mayank Mistry
mayank.mistry@jmfl.com
Tel: (91 22) 62241877

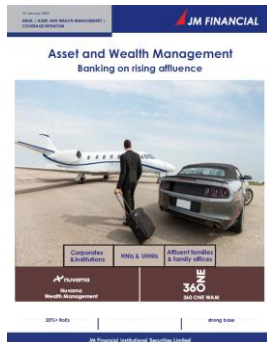
Arun Nalkara
arun.nalkara@jmfl.com
Tel: (91 22) 66303640

Table of Contents	Page No.
Focus Charts	4
Investment thesis	8
Valuation	10
32mn+ client base makes it a value play on India's aspiring middle class	12
Willingness and ability to capitalise on new business adjacencies	20
Strong operating leverage of the platform business	22
The company can age with its clients, remaining relevant and thriving	26
Market volumes have not corrected even across unfavourable macro events	27
Regulatory oversight has made the markets attractive for retail investors	28
Agile business machinery with a strong promoter provides comfort	30
Key Managerial Personnel	31
Financial Summary	32
Quarterly Performance	34
1QFY26 concall notes	35
Key risks	36
Appendix: Company Profile	37
Financial Tables	39

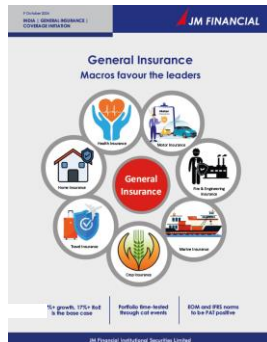


Angel One has successfully transitioned from an offline broker to a digital market leader over the last decade. It is now focused on expanding its offerings to wealth management, credit disbursement and insurance manufacturing and distribution. Retail broking has seen a decline in volume over the last year, which should translate into a 15% fall in PAT for Angel One in FY26e. With the distribution offerings to existing clients and normalising cost of client acquisition, we expect the company to return to strong growth by FY27e. We also see the stock incrementally re-rate as the company's revenue transitions from transactional to recurring. We initiate with BUY.

RECENT REPORTS



[Asset and Wealth Management](#)



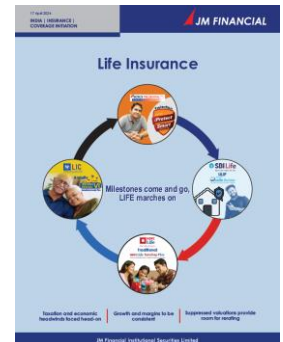
[General Insurance](#)



[Max Financial Services](#)



[HDB Financial Services](#)

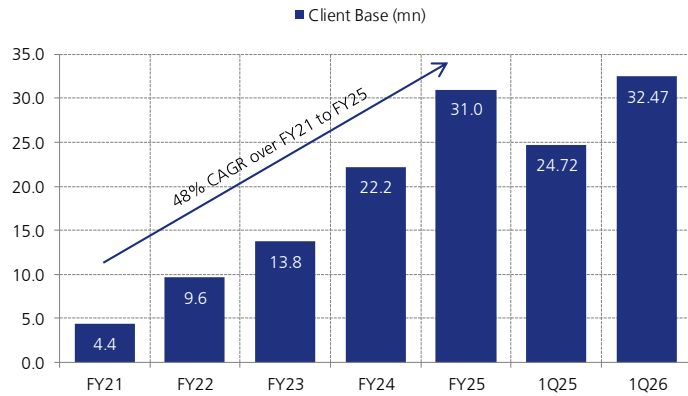


[Life Insurance](#)

Focus Charts

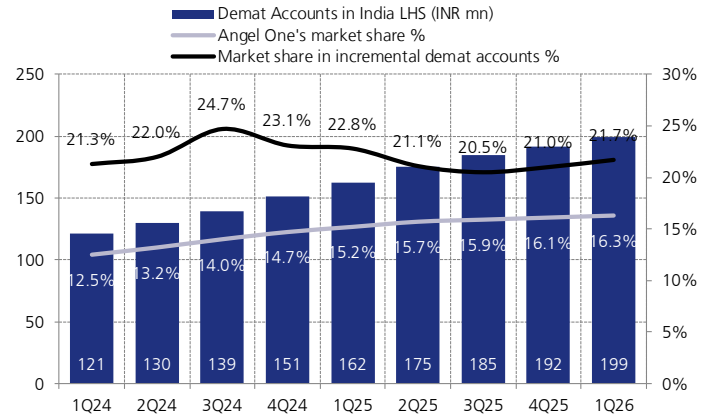
Angel One's client base has grown at a CAGR of 48% over FY21-FY25

Exhibit 1. Angel One's client base has increased at 48% CAGR



Source: Company, JM Financial

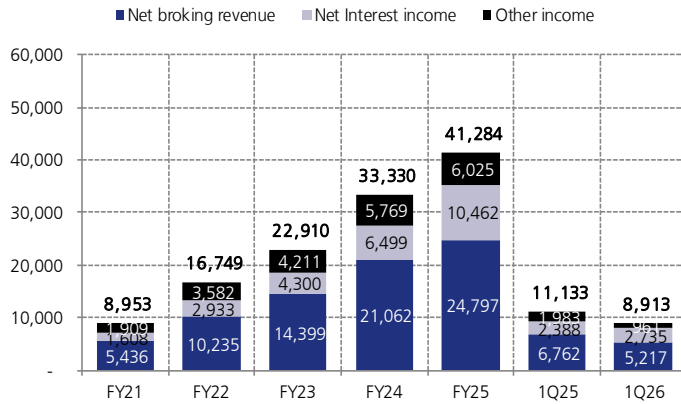
Exhibit 2. India's demat accounts and Angel One's market share



Source: Company, JM Financial

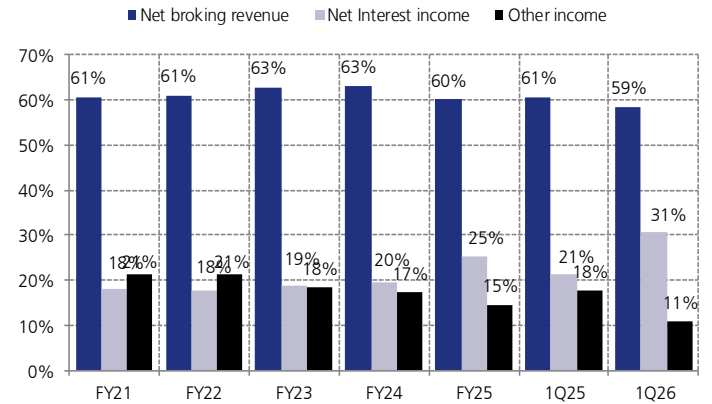
Diversification of revenue away from the broking business is underway

Exhibit 3. Net revenue vs. gross revenue (INR mn)



Source: Company, JM Financial

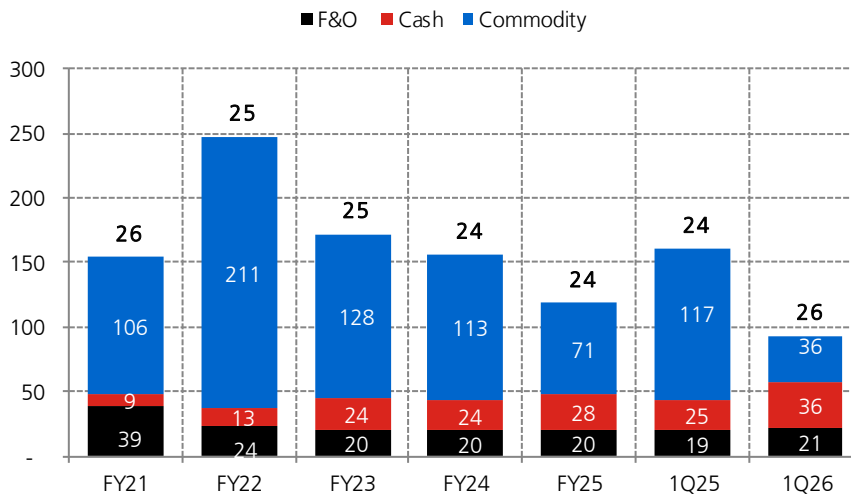
Exhibit 4. Net revenue mix (%)



Source: Company, JM Financial

Total revenue per order is on the mend

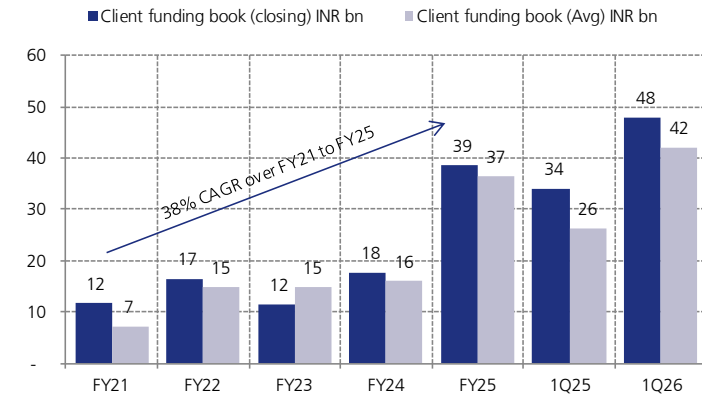
Exhibit 5. Net revenue per order (INR)



Source: Company, JM Financial

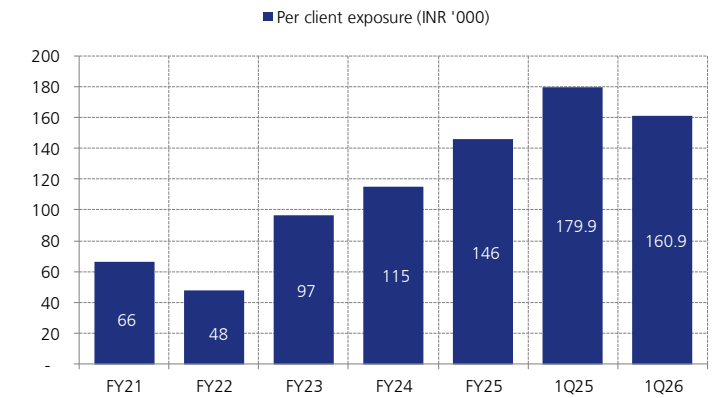
Clients funding has proved to be a fast-emerging engine of growth

Exhibit 6. Client funding book – closing and average (INR bn)



Source: Company, JM Financial

Exhibit 7. Per client exposure has increased steadily



Source: Company, JM Financial

Strong operating leverage emanating out of tech-led platform business

Exhibit 8. Cohort analysis shows that net revenue from acquired clients peaks in the year 'n+1' and sustains despite a gradual decline

Year	Gross Client Acquisition (mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Pre-FY20		3,589	3,358	3,606	3,439	3,681	3,816	3,582	3,582	3,582
FY20	0.6	1,116	2,066	1,801	1,743	1,894	1,842	1,693	1,801	1,770
FY21	2.4		3,472	6,455	5,760	6,037	5,779	5,004	5,276	5,534
FY22	5.3			4,885	8,233	8,483	7,924	6,524	6,936	7,265
FY23	4.7				3,728	7,081	5,825	4,055	5,117	5,400
FY24	8.8					6,156	10,942	8,666	10,307	10,745
FY25	9.3						5,154	7,809	7,223	7,536
FY26e	6.6							2,680	4,123	3,835
FY27e	9.6								4,745	7,299
FY28e	12.0									7,262
Total Net Revenue		4,705	8,896	16,747	22,903	33,332	41,282	40,014	49,109	60,227
Employee + Opex (ex-branding)		3,205	4,436	7,951	10,479	16,817	22,127			
Margins, %		31.9%	50.1%	52.5%	54.2%	49.5%	46.4%			
Branding spend		103	165	243	202	878	2,200			
Operating profit (EBDAT)		1,397	4,295	8,553	12,222	15,637	16,955	13,754	18,623	23,591
Operating profit (EBDAT) margins, %		29.7%	48.3%	51.1%	53.4%	46.9%	41.1%	34.4%	37.9%	39.2%

Source: Company, JM Financial

Robust persistency across cohorts as client base matures

Exhibit 9. Persistency across cohorts is not unidirectional: it increases in years with strong capital market performance

Revenue Persistency %	FY20	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
FY20	54%	100%	87%	84%	92%	89%	82%	87%	86%
FY21		54%	100%	89%	94%	90%	78%	82%	86%
FY22			59%	100%	103%	96%	79%	84%	88%
FY23				53%	100%	82%	57%	72%	76%
FY24					56%	100%	79%	94%	98%
FY25						66%	100%	93%	97%
FY26e							65%	100%	93%
FY27e								65%	100%
FY28e									65%

Source: Company, JM Financial

Common sizing of P&L shows resilient underlying EBDAT margin

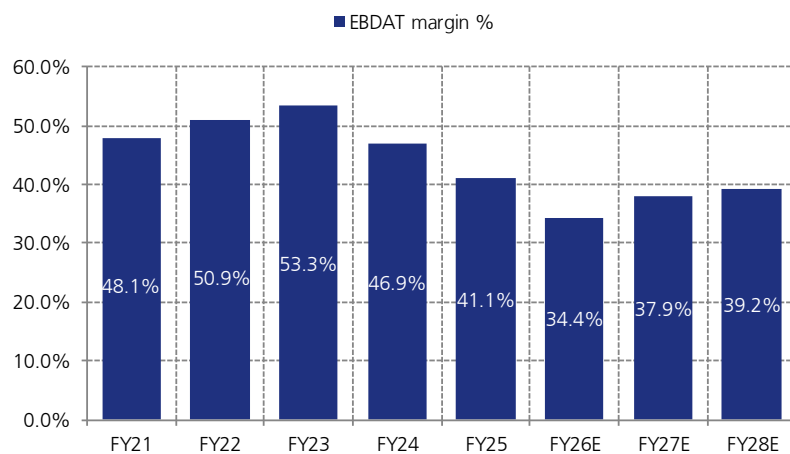
Exhibit 10. IPL charges (which are not perpetual) in 1QFY26 have dragged down EBDAT margin

Common sizing of P&L for EBDAT	FY21	FY22	FY23	FY24	FY25	1Q25	2Q25	3Q25	4Q25	1Q26
Net Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Net broking revenue	60.9%	61.0%	62.9%	63.2%	60.1%	61%	58%	63%	59%	59%
Net Interest income	18.0%	17.5%	18.8%	19.5%	25.3%	21%	24%	27%	31%	31%
Other income	21.4%	21.3%	18.4%	17.3%	14.6%	18%	18%	10%	10%	11%
- Depository	9.7%	7.4%	4.5%	4.6%	5.5%	5%	6%	5%	5%	5%
- Distribution	1.5%	2.0%	1.3%	1.3%	2.5%	1%	3%	3%	4%	4%
- Ancillary Transaction Charges	4.6%	9.0%	11.2%	10.6%	6.0%	10%	10%	1%	0%	0%
- Others	5.7%	2.9%	1.3%	0.9%	0.7%	1%	-1%	1%	2%	2%
Employee benefit expense	19.0%	16.7%	17.4%	16.7%	20.7%	18%	19%	24%	22%	31%
Impairment on financial instruments	3.7%	0.5%	0.2%	0.3%	0.1%	0%	0%	0%	0%	0%
Other expenses	29.2%	31.9%	29.1%	36.1%	38.2%	44%	31%	34%	46%	48%
- Advertisement and Publicity	14.3%	17.9%	16.5%	22.2%	21.6%	NA	NA	NA	NA	NA
- IPL expense	0.0%	0.0%	0.0%	0.7%	3.6%	10%	0%	0%	4%	13%
- Software connectivity license/maintenance expenses	4.0%	4.1%	5.5%	6.6%	9.7%	NA	NA	NA	NA	NA
- Communication cost	1.0%	2.1%	1.1%	0.9%	1.3%	NA	NA	NA	NA	NA
- Demat Charges	2.4%	1.3%	1.4%	1.0%	1.2%	NA	NA	NA	NA	NA
- Others	7.5%	6.4%	4.7%	5.5%	4.4%	NA	NA	NA	NA	NA
Operating Expenses	51.9%	49.1%	46.7%	53.1%	58.9%	62.3%	50.1%	58.0%	68.2%	78.2%
EBDAT margin %	48.1%	50.9%	53.3%	46.9%	41.1%	37.7%	49.9%	42.0%	31.8%	21.8%

Source: Company, JM Financial

EBDAT margin to recover going forward

Exhibit 11. Margin is expected to be subdued in FY26 before recovering in FY27-28e



Source: Company, JM Financial

PAT growth to pick up gradually

Exhibit 12. Angel One: Annual income statement

Revenue split INR mn	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Gross Revenue	12,952	23,012	30,212	42,797	52,478	50,873	62,495	76,302
Interest Expense	389	721	895	1,360	2,948	3,467	4,099	4,982
Fees and commission expense	3,630	5,502	6,407	8,107	8,246	7,395	9,283	11,094
Net Revenue	8,933	16,788	22,910	33,330	41,284	40,011	49,113	60,226
Employee benefit expense	1,699	2,809	3,979	5,564	8,552	11,535	13,394	15,964
Impairment on financial instruments	330	77	36	89	25	11	24	29
Other expenses	2,610	5,349	6,673	12,042	15,752	14,712	17,070	20,643
Operating expense	4,639	8,235	10,689	17,695	24,329	26,258	30,488	36,636
Reported EBDAT	4,294	8,554	12,222	15,635	16,955	13,753	18,625	23,590
EBDAT margin %	48.1%	50.9%	53.3%	46.9%	41.1%	34.4%	37.9%	39.2%
Depreciation	181	186	303	499	1,034	1,233	1,437	1,746
Total Expenses	4,820	8,421	10,991	18,193	25,363	27,491	31,925	38,382
PBT	4,113	8,367	11,919	15,136	15,921	12,520	17,188	21,844
Tax	1,132	2,117	3,016	3,881	4,199	3,110	4,469	5,679
Exceptional items	-11	-3	-2	-0	-0	-	-	-
PAT	2,970	6,248	8,900	11,255	11,722	9,410	12,719	16,164

Source: Company, JM Financial

Investment thesis

32mn+ client base makes it a value play on India's aspiring middle class

The overall client base of Angel One has increased at a CAGR of 48% over FY21-FY25 and reached 32.5mn as of Jun'25. Additionally, its market share in incremental demat accounts in India is more than the overall market share, at 21.7% as of Jun'25, indicating a strong customer acquisition engine, effective customer engagement and long runway of growth. Angel One has 7.6mn active NSE clients, which accounts for 15.4% market share in active NSE clients. This gives Angel One an edge in monetising new clients and helps in extracting LTV multiple over its acquisition cost by providing a diverse array of products.

Willingness and ability to capitalise on adjacencies

Angel One is committed to expanding and scaling its product offerings to provide a platform encompassing an array of financial products. This is in line with its strategy of building a super app aimed at delivering a seamless customer experience and empowering individuals across India. Apart from broking, lending and distribution, Angel One has strategically started its asset management company and wealth management business and entered into a JV to develop and distribute insurance products.

Strong operating leverage of the platform business

Angel One's technology driven, platform-centric business model offers a significant advantage in rapidly scaling its offering across a broad customer base. The company's intuitive user interface and comprehensive suite of products foster high levels of customer engagement and support strong client retention. Once customer acquisition costs are recovered, the recurring income generated from retained clients contributes disproportionately to revenue growth relative to the incremental servicing costs. This dynamic drives strong operating leverage, contingent upon sustained customer retention.

The company can age with its clients, remaining relevant and thriving

From FY19 onwards, derivatives have increasingly attracted people in the age bracket of 20-40 years. Interestingly, this increasingly active cohort in equity derivatives also constitutes 70% of all investors in mutual fund schemes (Source: NSE EPR). This offers a strong cross-selling opportunity to Angel One, especially in new business segments like wealth management. A gradual transition of these customers from the broking business to wealth management will result in unlocking of growing and recurring revenue streams.

Market volume has not corrected across macro scenarios

Over the past 18 years, the Indian equity market has witnessed a remarkable transformation in terms of retail investor participation. The chart (see [27](#)) illustrates this shift by mapping the number of trades executed on the NSE by retail investors (in billions) against the movement of the Nifty 50 index from FY07 to FY25. While the Nifty 50 has experienced multiple cycles of growth and correction, the volume of retail trades has shown a steady and exponential increase, indicating a structural decoupling of investor activity from market cyclicality.

Regulatory oversight has made the markets attractive for retail investors

In Jan'23, SEBI analysed the behaviour of F&O participants from FY19 to FY22, supplemented with incremental findings for FY23 and FY24. [Link](#) In the Sep'24 study, SEBI pointed out that 93% of the over 10mn individual F&O traders incurred average losses of INR 0.2mn, inclusive of transaction costs. During this phase, SEBI introduced peak margin norms in FY21-FY22, margin segregation and quarterly payout of client funds in FY23 and ASBA in FY24. With these regulations, the space has become more conducive for retail participation. As a result, individual traders (clients of top 15 brokers) active in the derivatives segment rose from 0.7mn in FY19 to 9.6mn by FY24, implying 68% CAGR.

Agile business machinery with a strong promoter provides comfort

Angel One has undergone a remarkable transformation in recent years, successfully shifting from a predominantly physical business model to a fully digital platform. Mr Vinay Agrawal, the former CEO of Angel One, who played an instrumental role in steering the company through its digital journey, passed away in Apr'21. Despite this significant leadership loss, the company managed to navigate the transition smoothly by appointing Mr Narayan Gangadhar as the new CEO. Following Mr Gangadhar's departure, Mr Dinesh Thakkar, Chairman & Managing Director and promoter of Angel One, took a more active leadership role before the appointment of Mr Ambarish Kenghe as group CEO in Mar'25. Angel One's ability to manage leadership transitions effectively, while sustaining growth momentum, reflects its robust internal culture and strategic foresight.

Valuation

Angel One is amongst the largest retail brokers in India, with a client base of over 32mn, of which 9mn+ are NSE active. Starting out as a regular offline broker in 1996, the company quickly pivoted to online discount broking in FY20. It saw strong growth across parameters with client base growing at 68% CAGR, net revenue at 80% CAGR and PAT at 90% CAGR over FY20-FY24. Despite regulatory changes with concerns around retail losses in derivatives segment and other regulatory changes, Angel One has stabilised FY25 PAT at FY24 levels, even as it invested in adjacent business lines.

International peers

We looked at two large brokers in US markets to understand where Angel One stands, namely, Charles Schwab and Robinhood.

Robinhood is a discount broker, founded in 2013. It derives 50% of its income from transactions, 38% from NII and 7% from other services. It reported an operating margin of 35.7% for CY24. As on date, it has a market cap of USD 91.8bn, trading at 65x CY24 PAT of USD 1.4bn.

Charles Schwab has a more diversified business – with 17% coming from trading in CY24, NII accounting for 47% and 29% from asset management and administration fees. As on date, it has a market cap of USD 173.6bn, trading at 32x CY24 PAT of USD 5.5bn.

In FY25, Angel One received 60% of its net revenue from broking, 25% from NII and the remaining 15% from other services, including distribution. As the company scales its distribution business, the stock should rerate with a higher share of recurring revenue – which we have seen in wealth managers (360 ONE WAM is trading at a substantial premium (28x FY27e EPS) to Nuvama Wealth Management, trading at 18x FY27e EPS).

Domestic peers

In Indian markets, we see 5Paisa trading at 17x FY25 (trailing) PAT, however, with a scale (PAT of INR 680mn in FY25) and market cap (of INR 11bn) substantially (15x) lower than Angel One. Amongst asset and wealth management companies in our coverage, we observe that Angel One is trading largely in line with UTI AMC and Nuvama Wealth Management.

Exhibit 13. Valuation comparison

Company	M. Cap USD bn	Reco.	EPS			P/E			P/B			PAT/ Avg AUM			Price / AUM		
			FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E
HDFC AMC	13.9	HOLD	115.1	135.2	153.6	49.7	42.3	37.2	15.0	13.6	12.2	0.33%	0.35%	0.33%	16.21%	13.29%	11.27%
NAM (cons)	6.0	BUY	20.3	24.2	29.3	40.9	34.2	28.3	12.5	11.6	10.2	0.24%	0.25%	0.24%	9.50%	7.60%	6.23%
UTI AMC (cons)	2.0	HOLD	63.9	68.8	76.1	21.8	20.2	18.3	3.9	3.7	3.5	0.24%	0.23%	0.22%	5.33%	4.45%	3.86%
360 ONE WAM	4.9	BUY	25.8	32.5	37.8	41.1	32.7	28.1	5.9	5.3	4.9	0.19%	0.20%	0.21%	7.39%	5.93%	4.97%
Nuvama Wealth	2.8	BUY	273.9	306.0	375.1	25.1	22.5	18.3	7.1	6.2	5.3	0.25%	0.23%	0.23%	5.75%	4.76%	3.94%
Angel One	2.3	BUY	129.8	104.2	140.9	17.5	21.8	16.2	3.6	3.3	2.9	NA	NA	NA	NA	NA	NA

Source: Company, JM Financial

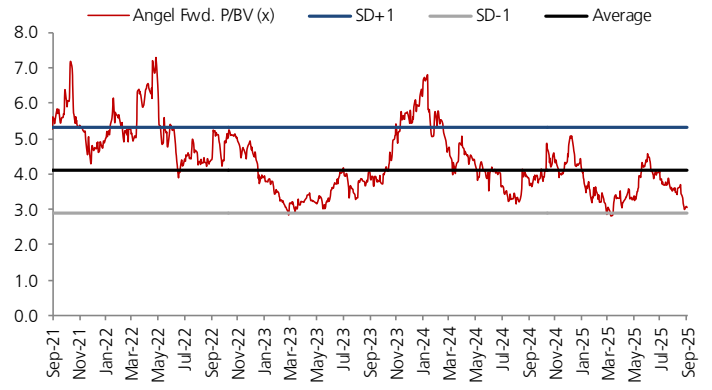
With a robust client base and strong operating leverage from its platform-based business model, we maintain a constructive view on the company as it adds adjacencies and diversifies its product portfolio. Given significant investments in building new businesses and a cautious stance on client acquisition in FY25 and 1HFY26, we expect a 15% decline in FY26 PAT over FY25, before it recovers from FY27 onwards. At CMP, the stock trades at 16x FY27e EPS. As the company builds its recurring revenue, we see the stock rerate from current levels. We initiate coverage on Angel One with a BUY rating and a target price of INR 2,700, valuing the company at 19x FY27e EVPS of INR 141.

Exhibit 14. Stock trades between mean and 1 SD above historical 1 year forward P/E multiple...



Source: Company, JM Financial

Exhibit 15. ...and at around 1SD below its historical P/BV multiple

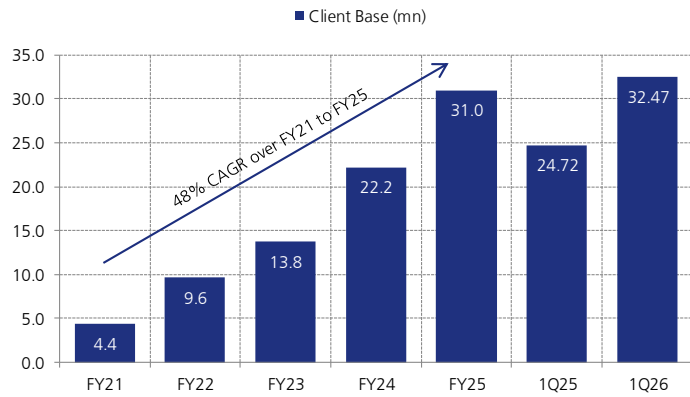


Source: Company, JM Financial

➤ 32mn+ client base makes it a value play on India’s aspiring middle class

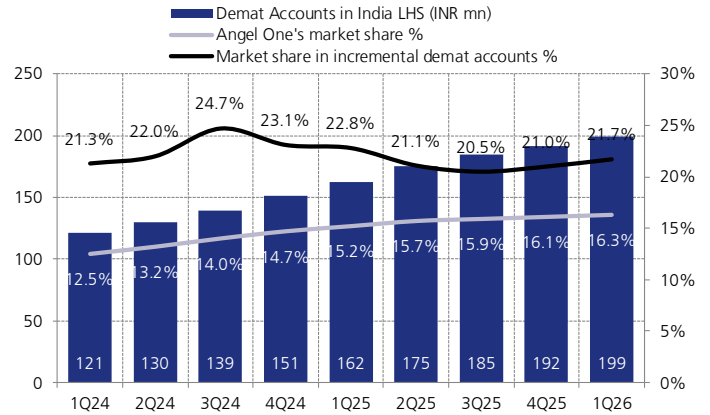
The overall client base of Angel One has increased at a CAGR of 48% over FY21-FY25 and reached 32.5mn as of Jun’25. To put things in context, India has 199mn demat accounts as of Jun’25 and Angel One’s market share, which is now 16.3%, has increased steadily over time. Additionally, its market share in incremental demat accounts in India is more than the overall market share, at 21.7% as of Jun’25, indicating a strong customer acquisition engine, effective customer engagement and long runway of growth.

Exhibit 16. Angel One’s client base has increased at 48% CAGR



Source: Company, JM Financial

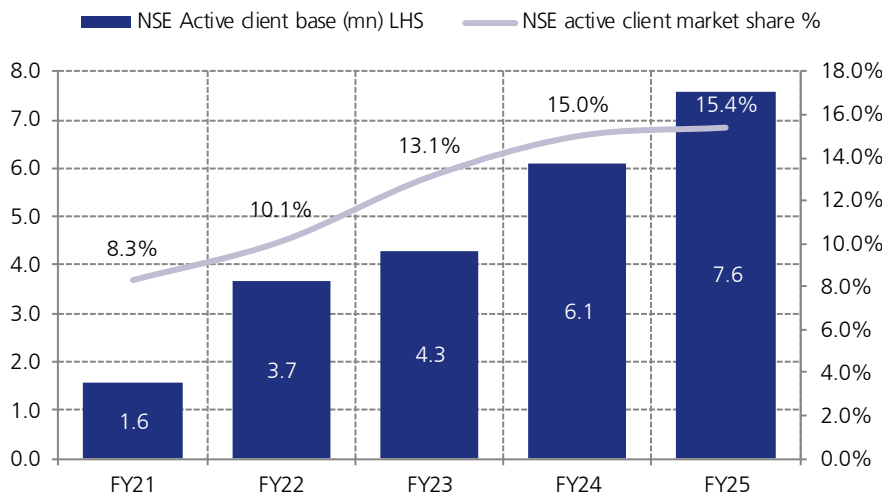
Exhibit 17. India’s demat accounts and Angel One’s market share



Source: Company, JM Financial

NSE accounted for 78% share in options premium turnover, more than 99% in futures premium turnover and dominated the cash markets as well with 93.5% gross turnover market share for Jun’25 (Source: [SEBI Bulletin](#)). Angel One has 7.6mn active NSE clients, which accounts for 15.4% market share in active NSE clients, and it maintained 2nd rank in incremental NSE active clients till 3QFY25 before the industry started to shrink. This gives Angel One an edge in monetising new clients and helps in extracting LTV multiple over its acquisition cost by providing a diverse array of products.

Exhibit 18. NSE active clients market share has increased steadily



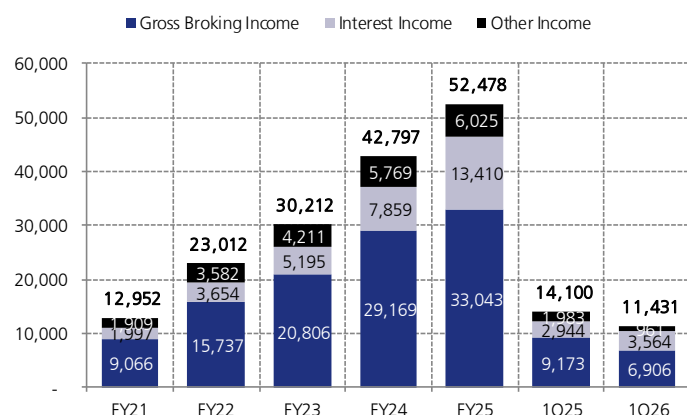
Source: Company, JM Financial

Diversification of revenue streams reduces concentration risk

Gross revenue is classified into three major income streams –

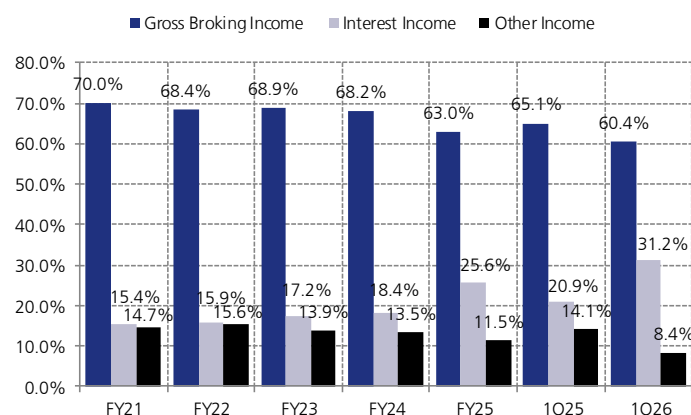
- 1. Broking income:** Angel One offers a comprehensive suite of services in the broking segment, spanning equity – cash and F&O, commodities and currencies seamlessly accessible via a mobile app, web and desktop platforms.
- 2. Interest income:** Angel One extends funding of up to 80% of the purchase value in cash delivery segment of equities to clients. Through this service, the company enables clients to better utilise their capital for their investing and trading strategies, while benefitting from capitalising on market opportunities.
- 3. Other income:** Angel One offers additional services, supplementing broking and interest revenue. These services include depository services, distribution, and ancillary transaction charges (the regulator terminated this stream of revenue from 3QFY25 onwards).
- 4. New business adjacencies:** To further diversify its offerings, Angel One develops passive mutual fund schemes, offers wealth management services to the emerging affluent class (with focus on the HNI segment) under its Ionic Wealth brand and has entered into a JV with Singapore-based LivWell Holding Company to provide digital-first life insurance products with emphasis on term insurance products.

Exhibit 19. Gross revenue breakup (INR mn)



Source: Company, JM Financial

Exhibit 20. Gross revenue mix (%)



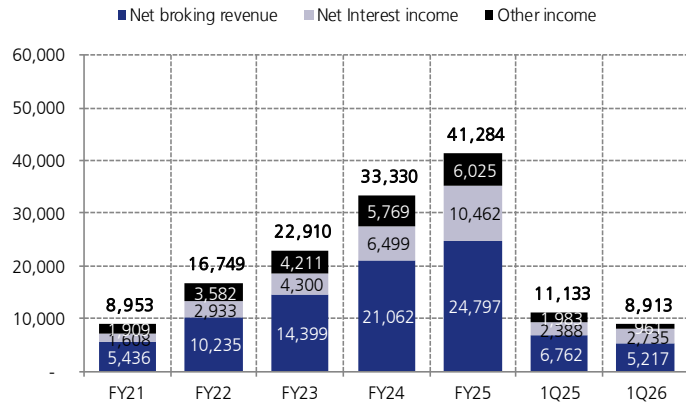
Source: Company, JM Financial

Exhibit 21. Net revenue excludes interest and fees and commission expense

Revenue split INR mn	FY21	FY22	FY23	FY24	FY25	1Q25	1Q26
Gross Revenue	12,952	23,012	30,212	42,797	52,478	14,100	11,431
Less: Interest Expense	389	721	895	1,360	2,948	556	829
Less: Fees and commission expense	3,630	5,502	6,407	8,107	8,246	2,411	1,689
Net Revenue	8,933	16,788	22,910	33,330	41,284	11,133	8,913

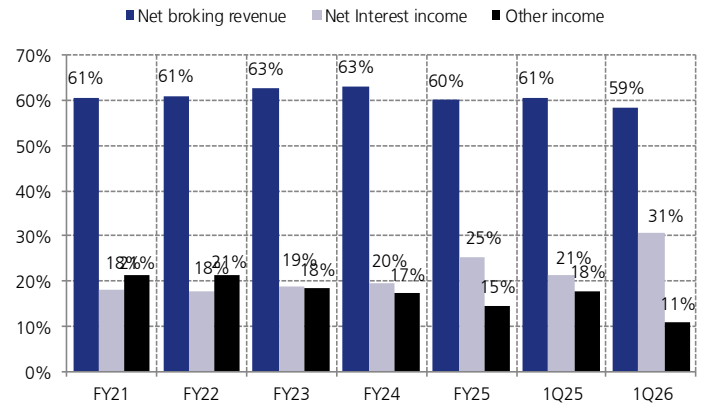
Source: Company, JM Financial

Exhibit 22. Net revenue vs. gross revenue (INR mn)



Source: Company, JM Financial

Exhibit 23. Net revenue mix (%)

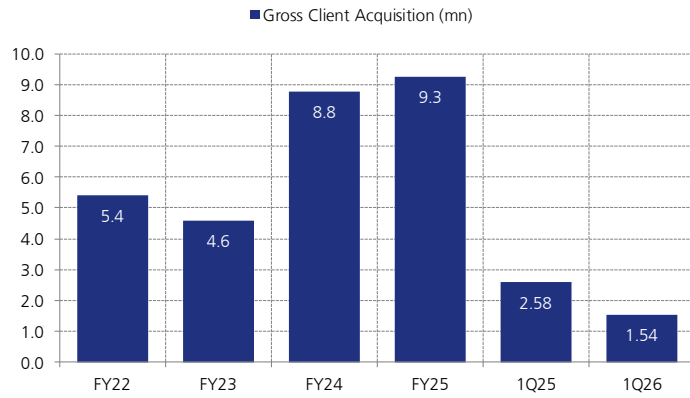


Source: Company, JM Financial

1. Broking business is the backbone of Angel One’s offerings

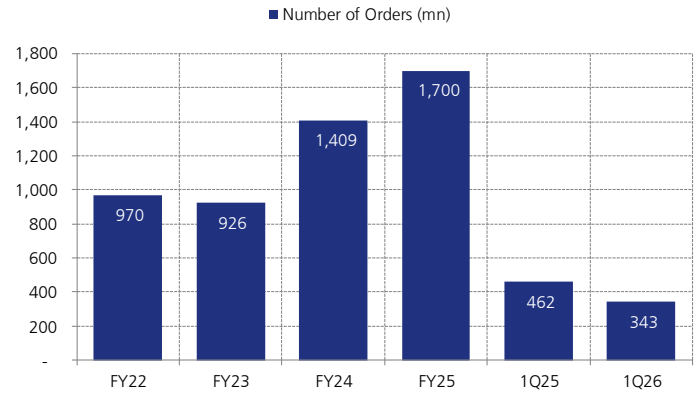
In FY25, Angel One onboarded a record 9.3mn clients (highest number of client acquisitions in a financial year) and executed 1.7bn orders averaging INR 40.4trln of daily turnover. In addition to providing broking services on the digitally enabled platforms, it also offers clients value-added services like research and investment advisory, empowering them with investment recommendations, so that they can take more informed decisions.

Exhibit 24. Highest ever client addition in FY25 at 9.3mn



Source: Company, JM Financial

Exhibit 25. Angel One recorded 1.7 bn orders in FY25

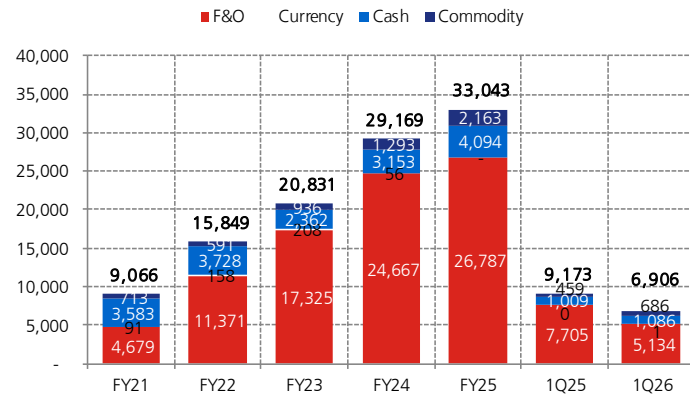


Source: Company, JM Financial

To enhance the efficiency of investing and trading of its growing clientele, it offers rule-based recommendations and employs open architecture integrating third party products like Vested, Sensibull, TradingView, Quicko and Market Mojo.

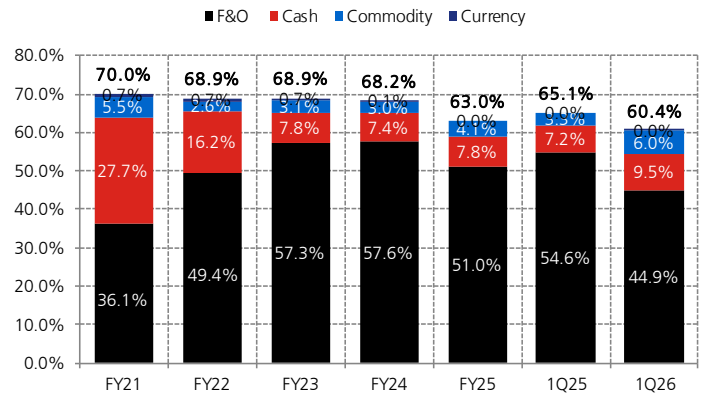
Broking income is further subdivided into revenue from F&O, cash, commodity, and currency transactions. F&O contributed 51% and 45% to the broking income in FY25 and 1QFY26 respectively. The decline in the share of F&O business can be attributed to tightened regulatory measures in order to dis-incentivise speculative retail trading.

Exhibit 26. Gross broking income breakup (INR mn)



Source: Company, JM Financial; Share of currency was negligible post FY24

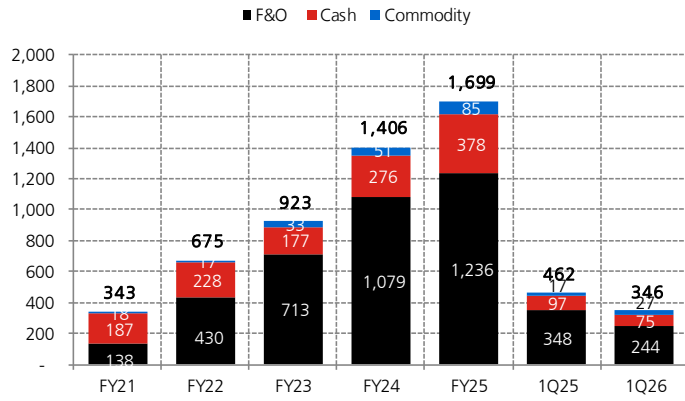
Exhibit 27. Gross broking income mix (% of total gross revenue)



Source: Company, JM Financial

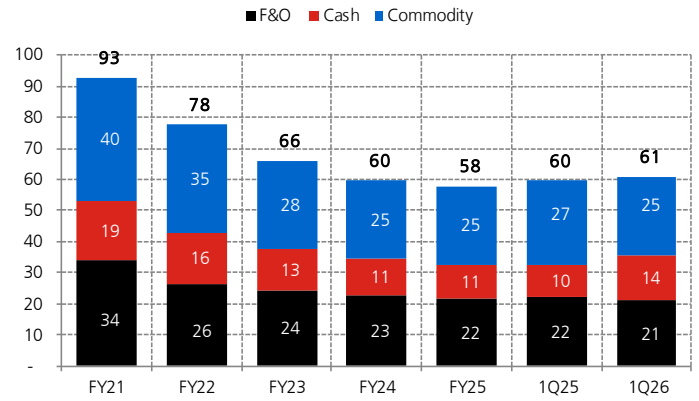
Gross revenue per order has stabilised to ~INR 60 from FY24. The company increased prices of cash orders from 3QFY25 onwards to offset the impact of elimination of ancillary transaction charges (which forms a part of its other income). This has resulted in inch-up of gross revenue per order in 1QFY26 to INR 61 vs. INR 58 in FY25.

Exhibit 28. Number of orders (mn)



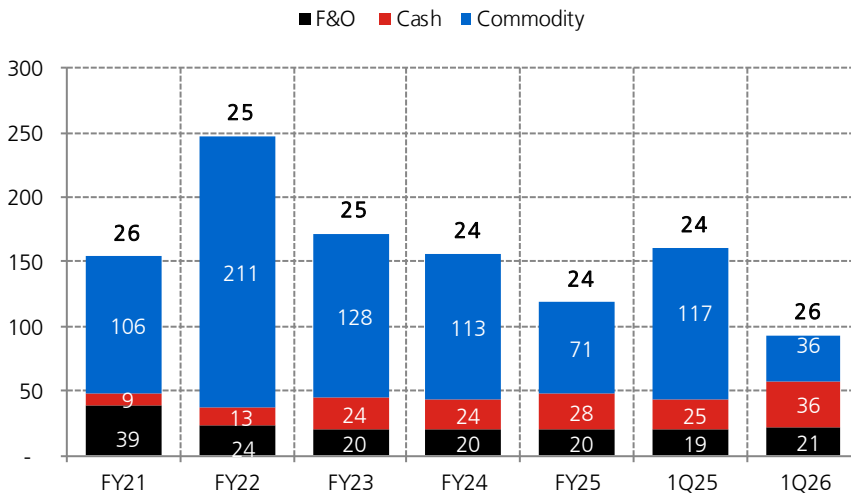
Source: Company, JM Financial

Exhibit 29. Gross revenue per order (INR)



Source: Company, JM Financial

Exhibit 30. Net revenue per order (INR)



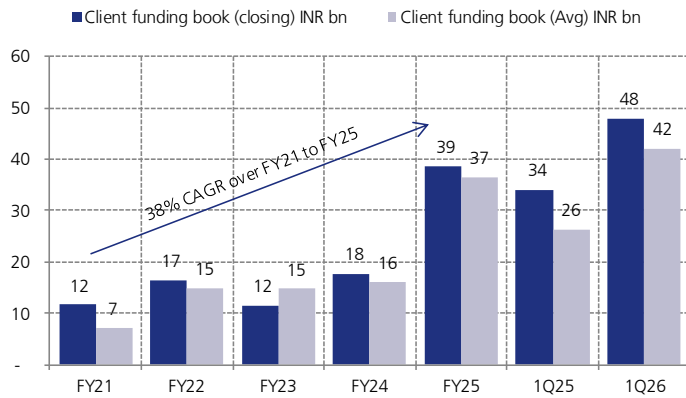
Source: Company, JM Financial

2. Client funding has proved to be a fast-emerging engine of growth

The average client funding book has grown at 38.4% CAGR over FY21 to FY25 and that too with negligible NPAs. The maximum margin available for each stock is determined by regulatory guidelines, with the proprietary automated risk management system that constantly monitors real time mark-to-market risk of funded stocks and squares off exposure to maintain required margins.

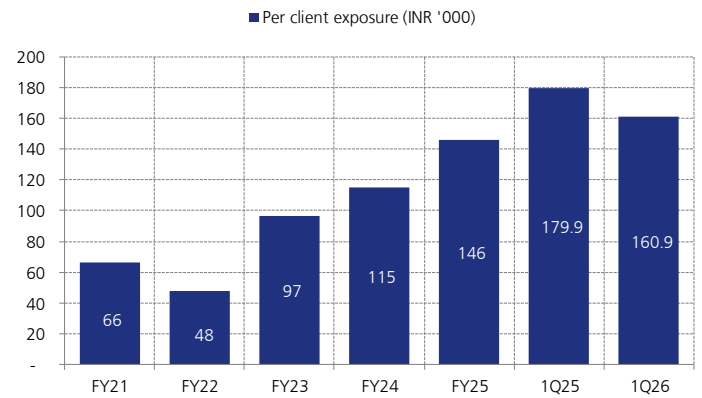
With insignificant loan losses and low exposure per client (which is secured by the client's demat holdings), Angel One employs robust risk management practices to mitigate delinquencies. During FY25, the average client funding book amounted to INR 36.5bn, growing 128% YoY. Moreover, the closing balance of most periods, including 1QFY26 (except FY23), has been more than the average balance, a sign of sustainable growth in average balances. The company ended 1QFY26 with closing client funding assets of ~48bn.

Exhibit 31. Client funding book – closing and average (INR bn)



Source: Company, JM Financial

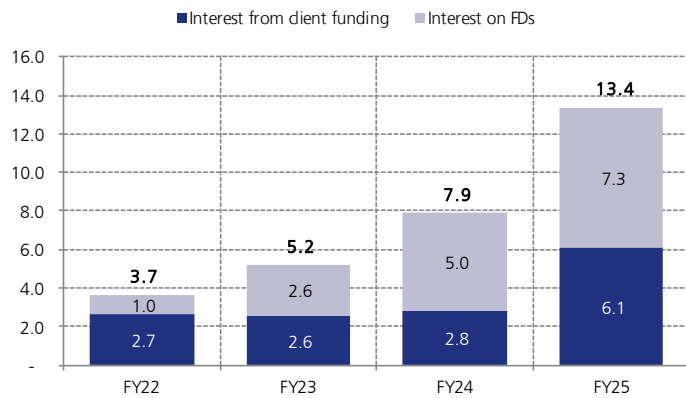
Exhibit 32. Per client exposure has increased steadily



Source: Company, JM Financial

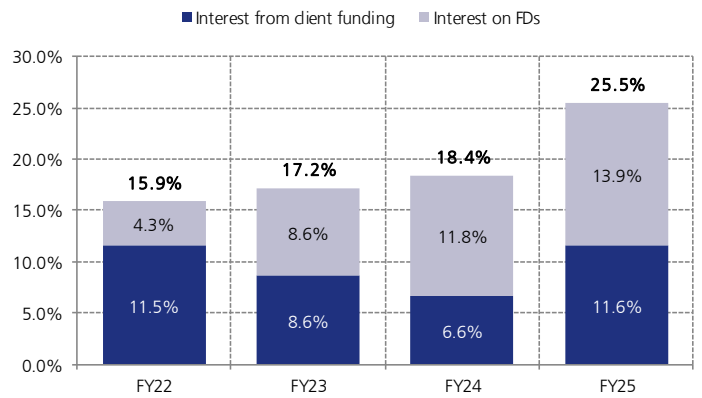
Interest income accounts for 25.5% of gross income for the company as of FY25. Angel One earns interest via two sources: a) interest on funding extended to clients in cash delivery segment, b) Interest on FDs in bank account.

Exhibit 33. Interest income breakup (INR bn)



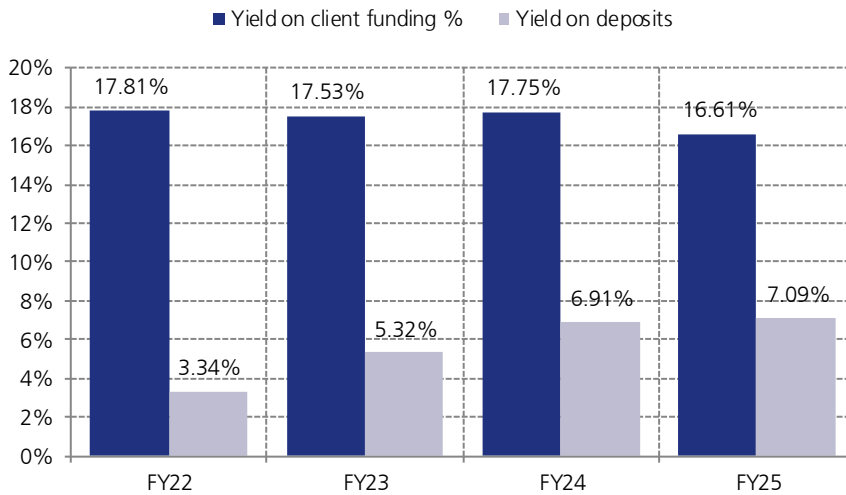
Source: Company, JM Financial

Exhibit 34. Share of interest income in gross revenue (%)



Source: Company, JM Financial

Exhibit 35. Yield on client funding book and deposits (%)

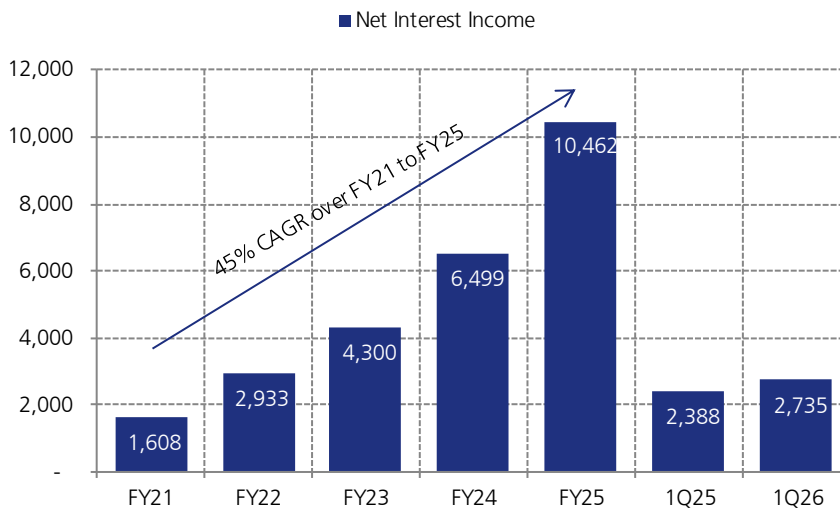


Source: Company, JM Financial

Angel One had maintained yields of ~18% over its client-funded assets till FY24. Given competitive intensity, and to incentivise relatively risk free loans via the MTF facility, the company brought down this rate to 14.99% effective Nov'24. This has resulted in a marginal decline in yield to 16.6% on the client funded book in FY25 and the full impact of this rate reduction will be seen in FY26.

Angel One has smartly capitalised on the funding requirements of its growing client base. The company raised INR 15bn in Apr'24 at a price of INR 2,555.01 to further fuel its growth in this business. Around half of this amount raised was utilised to fund MTF facilities provided to clients. Sufficient liquidity on the balance sheet in combination with demand pull from clients resulted in 61% YoY growth in net interest income in FY25.

Exhibit 36. Net Interest income has grown at 45% YoY over FY21-FY25



Source: Company, JM Financial

3. Other income

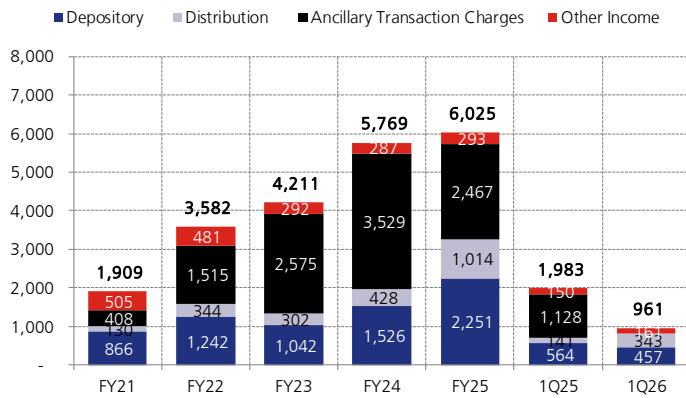
Other income constitutes distribution, depository, ancillary transaction charges and others.

Distribution business: Angel One provides third party distribution of mutual funds, IPOs, credit products fixed income instruments and bonds, while insurance products are served via its wholly owned subsidiary Financial Advisors Pvt Ltd. The share of depository income in gross income has been steady at ~4%.

Depository Income: Angel One earns income via depository transaction charges, pledge-unpledge charges and annual maintenance charges under this head. It accounted for 1.0% of gross revenue in FY25.

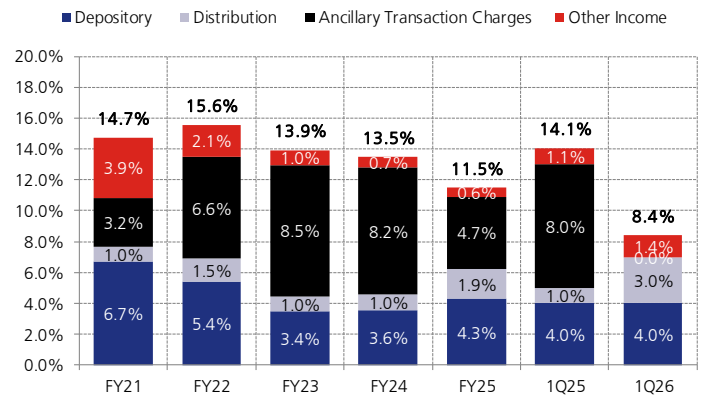
Ancillary transaction charges: It is the net income received after payout of charges to the exchanges. SEBI implemented True-to-Label regulation from Oct'24, where it was mandated that clients be charged the same turnover fees that the market infrastructure institutions levy on market intermediaries. As a result, this revenue was fully extinguished from Oct'24 onwards.

Exhibit 37. Details of Other income (INR mn)



Source: Company, JM Financial

Exhibit 38. Share and breakup of other income in gross income (%)



Source: Company, JM Financial

➤ Willingness and ability to capitalise on new business adjacencies

Angel One is committed to expanding and scaling its product offerings to provide a platform encompassing an array of financial products. This is in line with its strategy of building a super app aimed at delivering a seamless customer experience and empowering individuals across India. Apart from broking, lending and distribution, Angel One has strategically started its asset management company and wealth management business and entered into a JV to develop and distribute insurance products.

1. Asset Management Company (AMC)

FY25 marked the entry of Angel One into the asset management business through its wholly owned subsidiary, Angel One Asset Management Company Ltd, after getting approval from the regulator to launch mutual fund schemes. Angel One has launched five schemes as of 1QFY26 now across Index and ETF categories covering equity and debt asset classes, Angel One Nifty Total Market (First in India), Angel One Nifty 50, Angel One Nifty 1D Rate Liquid ETF – Growth being among them.

The company has a clear strategy of focusing on passive schemes, not competing with its distribution partners that predominantly offer active schemes. The AMC has garnered AUM of INR 3.4bn as of 1QFY26 and plans to introduce more schemes over time across asset classes (commodity scheme in the pipeline).

MF industry distribution commission pool stands at INR 148bn (source: [AMFI](#)) and it has grown at 24% YoY in FY25. This provides a large addressable commission pool for Angel One.

2. Wealth Management

Angel One, through its wealth management subsidiaries, took significant strides toward building a full-stack wealth management business by securing six critical regulatory licences – ARN, PMS, RIA, RA, Domestic AIF and GIFT City FME during FY25. The strategic focus of this business is catering to HNI customers and penetration into tier 2-tier 3 cities enabled by platform-based digital outreach. It has onboarded 1,000+ clients and has assets under management (AUM) of INR 50.6bn as of 1QFY26 and the platform operates under the “Ionic Wealth” brand.

As of Nov 2024, India had 780mn PAN cards issued, accounting for 54% of the population. In comparison, total number of demat accounts in India stands at 205mn (source: CDSL and NSDL website) as of 31st Aug, 2025, a mere 26% of total PAN cards in the country. Further, increasing penetration of PAN cards and demat accounts presents a compelling opportunity for Angel One.

3. Insurance business

Angel One has entered into a JV with Singapore-based LivWell Holding Company and announced a plan to invest INR 4bn for 26% stake in the venture. It will be a “Digital First” life insurance company aimed at bridging the insurance penetration gap in India with special emphasis on term/protection products.

Mr Wilf Blackburn, ex-regional CEO of Prudential Asia, is proposed to chair the proposed venture, while Mr Nikhil Verma, former deputy CEO of Aviva Vietnam, is proposed to lead as CEO.

Angel One is expected to benefit from the share of profits earned by the entity and distribution income generated by selling life insurance products on its app.

The life insurance industry commission pool stands at INR 515bn for FY24 and has grown at a CAGR of 12.6% over FY18-FY24. This offers a large, growing pool of commissions that Angel One can cater to.

Exhibit 39. Total industry commission pool has grown at 12.6% CAGR over FY18 to FY24

Life Insurance Industry	FY18	FY19	FY20	FY21	FY22	FY23	FY24	CAGR
Industry Commissions (INR mn)	253,020	277,398	308,344	329,941	358,870	423,219	515,241	12.6%
Growth YoY %	14.6%	9.6%	11.2%	7.0%	8.8%	17.9%	21.7%	

Source: Handbook on Indian insurance statistics, JM Financial

Opportunity to increase customer wallet share by offering diverse set of products

For FY24, Angel One had the lowest revenue per client among its peer brokers as shown in the table below. As the Company expands its product offerings and diversifies its revenue streams, it stands a good chance to gain incremental wallet share of the customer.

Exhibit 40. Angel One has highest scope to improve revenue per client among peers

Average Revenue Per Client (INR)	FY22	FY23	FY24
Anand Rathi Share and Stock Broker Ltd	26,386	26,012	30,922
Geojit Financial Service Ltd	12,296	8,869	11,486
IIFL Capital Services Ltd	5,956	15,801	27,063
Motilal Oswal Financial Services Ltd	17,635	20,897	25,393
ICICI Securities Ltd	5,122	5,385	10,082
Angel One Ltd	4,302	4,859	4,628

Source: Anand Rathi Share and Stock Broker Ltd DRHP

➤ Strong operating leverage of the platform business

Angel One's technology driven, platform-centric business model offers a significant advantage in rapidly scaling its offering across a broad customer base. The company's intuitive user interface and comprehensive suite of products foster high levels of customer engagement and support strong client retention. Once customer acquisition costs are recovered, the recurring income generated from retained clients contributes disproportionately to revenue growth relative to the incremental servicing costs. This dynamic drives strong operating leverage, contingent upon sustained customer retention.

Cohort analysis shows strong persistency across acquisition buckets

Angel One segregates its clients based on the year of acquisition. As cohorts mature, their activity on the platform improves over time and each cohort remains highly profitable.

Historical trend suggests that the net revenue from acquired cohort in year 'n' peaks in year 'n+1' and then decreases gradually before stabilising. For example, 0.6mn clients were acquired in FY20 and Angel One reported peak revenue in FY21 (INR 2,066: see [Exhibit 41](#)); since then there has been a gradual decline in revenue before it stabilised (FY22 was an exceptional year where peak revenue were attained in the year 'n+2', i.e., FY24).

Exhibit 41. MCohort analysis shows that net revenue from acquired clients peaks in the year 'n+1' and sustains albeit gradual decline

Year	Gross Client Acquisition (mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Pre-FY20		3,589	3,358	3,606	3,439	3,681	3,816	3,582	3,582	3,582
FY20	0.6	1,116	2,066	1,801	1,743	1,894	1,842	1,693	1,801	1,770
FY21	2.4		3,472	6,455	5,760	6,037	5,779	5,004	5,276	5,534
FY22	5.3			4,885	8,233	8,483	7,924	6,524	6,936	7,265
FY23	4.7				3,728	7,081	5,825	4,055	5,117	5,400
FY24	8.8					6,156	10,942	8,666	10,307	10,745
FY25	9.3						5,154	7,809	7,223	7,536
FY26e	6.6							2,680	4,123	3,835
FY27e	9.6								4,745	7,299
FY28e	12.0									7,262
Total Net Revenue		4,705	8,896	16,747	22,903	33,332	41,282	40,014	49,109	60,227
Employee + Opex (ex-branding)		3,205	4,436	7,951	10,479	16,817	22,127			
Margins, %		31.9%	50.1%	52.5%	54.2%	49.5%	46.4%			
Branding spend		103	165	243	202	878	2,200			
Operating profit (EBDAT)		1,397	4,295	8,553	12,222	15,637	16,955	13,754	18,623	23,591
Operating profit (EBDAT) margins, %		29.7%	48.3%	51.1%	53.4%	46.9%	41.1%	34.4%	37.9%	39.2%

Source: Company, JM Financial

Table below shows persistency of peak revenue from each cohort attained in year 'n+1'. Although this persistency gradually declines, it is not unidirectional. It increases in the year when the capital markets perform exceptionally well (see [Exhibit 42](#): persistency across acquired cohorts increased in FY24). Our estimates suggest that revenue persistency will see a marginal decline in FY26 given regulatory hiccups before recovering in FY27-FY28e.

Exhibit 42. Persistency across cohorts is not unidirectional; it increases in years with strong capital market performance

Revenue Persistency %	FY20	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
FY20	54%	100%	87%	84%	92%	89%	82%	87%	86%
FY21		54%	100%	89%	94%	90%	78%	82%	86%
FY22			59%	100%	103%	96%	79%	84%	88%
FY23				53%	100%	82%	57%	72%	76%
FY24					56%	100%	79%	94%	98%
FY25						66%	100%	93%	97%
FY26e							65%	100%	93%
FY27e								65%	100%
FY28e									65%

Source: Company, JM Financial

Estimated customer acquisition cost suggests strong underlying business margins

As discussed in the previous part, historical trend suggests that the net revenue from acquired cohort in year 'n' peaks in year 'n+1'. We calculate the acquisition cost using payback period reported by the company (see [Exhibit 43](#)). While the payback period has increased in FY25 to 10 months from 7 months in FY24, the management expects it to revert in the medium term. Average customer acquisition cost for Angel One over FY22-FY25 is equal to 18.9% net revenue.

Exhibit 43. Average customer acquisition cost over FY22-FY25 is 19% of net revenue				
Customer acquisition cost estimation	FY22	FY23	FY24	FY25
Payback time (months)	5	7	7	10
Peak annual revenue from acquired customers (mn)	8,483	7,081	10,942	8,590*
Customer acquisition cost based on payback time (INR mn)	3,535	4,131	6,383	7,158
Number of customers acquired (mn)	5.3	4.7	8.8	9.3
Customer acquisition cost (INR)	667	879	725	770
Customer acquisition cost/Net revenue	21.1%	18.0%	19.1%	17.3%

Source: Company, JM Financial, *estimated peak revenue based on persistency assumption

EBDAT margin ex-branding, ex-acquisition cost for FY22-FY23 remained strong, above 72%. However, it declined in FY24 and FY25 as the company invested in scaling up new businesses. As these new businesses mature and contribute materially to net revenue, EBDAT margin is expected to improve.

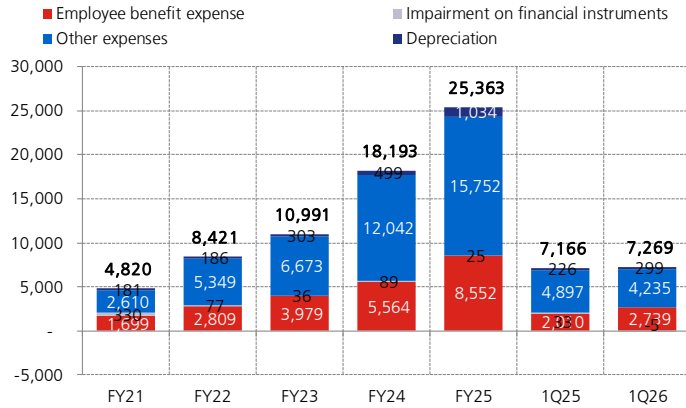
Exhibit 44. EBDAT margin ex-branding, ex-acquisition cost				
EBDAT Margin (ex-branding, ex-acquisition cost)	FY22	FY23	FY24	FY25
Net Revenue	16,747	22,903	33,332	41,282
Less: Employee + Opex (ex-branding)	7,951	10,479	16,817	22,127
Add: Acquisition cost	3,535	4,131	6,383	7,158
EBDAT (ex-branding, ex-acquisition cost)	12,331	16,555	22,898	26,313
Margin % (ex-branding, ex-acquisition cost)	73.6%	72.3%	68.7%	63.7%

Source: Company, JM Financial

Costs stable ex-ESOP expenses, branding and CAC

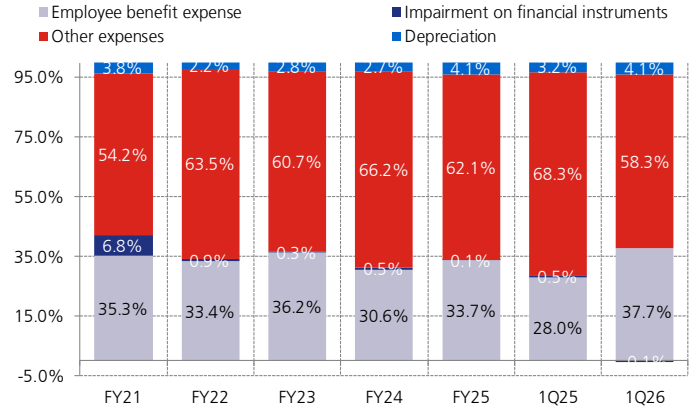
Employee cost accounted for 33.7% of overall expenses for FY25 and has remained range-bound over FY21-FY25. Teams for new businesses adjacencies have been built and the management expects headcount growth to remain low for the next 2-3 years. Additionally, asset quality of its lending business (now MTF only) has been robust with insignificant impairment costs.

Exhibit 45. Detailed breakup of total expenses (INR mn)



Source: Company, JM Financial

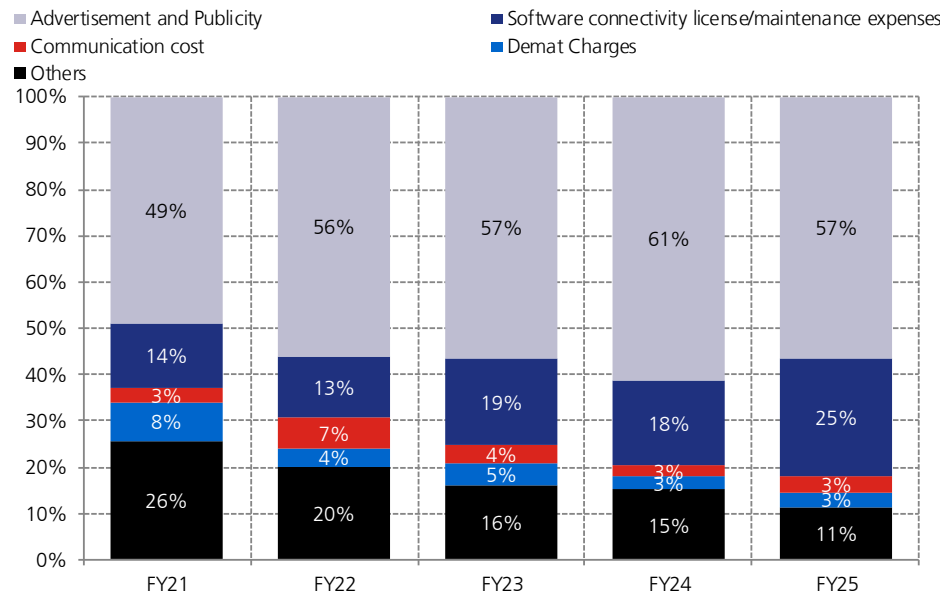
Exhibit 46. Employee cost has been stable (% of total expenses)



Source: Company, JM Financial

Other expense forms a large part of Angel One’s total expenses – constituting 62.1% for FY25. While these expenses vary by nature, Advertisement and Publicity (A&P) cost formed the largest chunk – 57% of other expenses. A&P includes IPL-related marketing expense for FY25 and formed 9.5% of other expenses. We expect total expenses to grow at 11% CAGR over FY25 to FY27.

Exhibit 47. Other expenses dominated by advertising and software connectivity charges

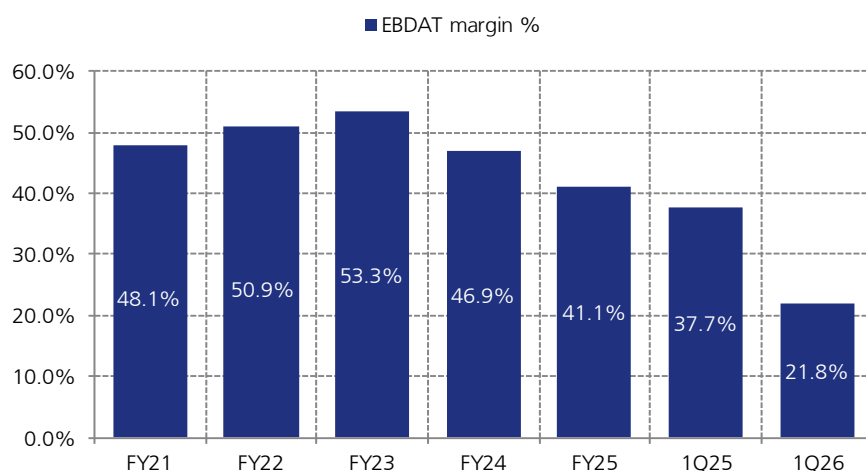


Source: Company, JM Financial

Profitability to bounce back driven by controlled expenses and robust customer acquisition

Angel One calculates its profitability based on EBDAT. Historically, the company has maintained EBDAT margin of above 40% (average EBDAT margin of 48.1% over FY21-FY25). While the margin has optically reduced in FY25 and 1Q26, it was a function of investment into building newer businesses and addition of capacities in combination with higher IPL-related marketing costs. The management is confident on maintaining EBDAT margin ~40-45% in steady state as operating leverage kicks in. We build in average EBDAT margin of 41% over FY26/FY27e with a slight weakness in FY26 followed by a pickup in consequent years.

Exhibit 48. EBDAT margin historical trend



Source: Company, JM Financial

Common sizing of P&L for EBDAT margin

Exhibit 49. IPL charges (which are not perpetual) in 1QFY26 have dragged down EBDAT margin

Common sizing of P&L for EBDAT	FY21	FY22	FY23	FY24	FY25	1Q25	2Q25	3Q25	4Q25	1Q26
Net Revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Net broking revenue	60.9%	61.0%	62.9%	63.2%	60.1%	61%	58%	63%	59%	59%
Net Interest income	18.0%	17.5%	18.8%	19.5%	25.3%	21%	24%	27%	31%	31%
Other income	21.4%	21.3%	18.4%	17.3%	14.6%	18%	18%	10%	10%	11%
- Depository	9.7%	7.4%	4.5%	4.6%	5.5%	5%	6%	5%	5%	5%
- Distribution	1.5%	2.0%	1.3%	1.3%	2.5%	1%	3%	3%	4%	4%
- Ancillary Transaction Charges	4.6%	9.0%	11.2%	10.6%	6.0%	10%	10%	1%	0%	0%
- Others	5.7%	2.9%	1.3%	0.9%	0.7%	1%	-1%	1%	2%	2%
Employee benefit expense	19.0%	16.7%	17.4%	16.7%	20.7%	18%	19%	24%	22%	31%
Impairment on financial instruments	3.7%	0.5%	0.2%	0.3%	0.1%	0%	0%	0%	0%	0%
Other expenses	29.2%	31.9%	29.1%	36.1%	38.2%	44%	31%	34%	46%	48%
- Advertisement and Publicity	14.3%	17.9%	16.5%	22.2%	21.6%	NA	NA	NA	NA	NA
- IPL expense	0.0%	0.0%	0.0%	0.7%	3.6%	10%	0%	0%	4%	13%
- Software connectivity license/maintenance expenses	4.0%	4.1%	5.5%	6.6%	9.7%	NA	NA	NA	NA	NA
- Communication cost	1.0%	2.1%	1.1%	0.9%	1.3%	NA	NA	NA	NA	NA
- Demat Charges	2.4%	1.3%	1.4%	1.0%	1.2%	NA	NA	NA	NA	NA
- Others	7.5%	6.4%	4.7%	5.5%	4.4%	NA	NA	NA	NA	NA
Operating Expenses	51.9%	49.1%	46.7%	53.1%	58.9%	62.3%	50.1%	58.0%	68.2%	78.2%
EBDAT margin %	48.1%	50.9%	53.3%	46.9%	41.1%	37.7%	49.9%	42.0%	31.8%	21.8%

Source: Company, JM Financial

➤ The company can age with its clients, remaining relevant and thriving

From FY19 onwards, derivatives have increasingly attracted people in the age bracket of 20-40 years. The combined share of this cohort (age 20-40 years) in equity derivatives participation has increased from 54% to 80% over FY19-FY24. Moreover, number of equity derivative participants from age group from 20 to 30 years has seen 121% CAGR while that from the age group 30-40 years has grown at 62% CAGR over the same period.

Exhibit 50. Equity derivative investors by age group (in mn)

Age groups	FY19	Share %	FY24	Share %	5 year CAGR
<20	NA	NA	NA	NA	NA
20-30	0.08	11%	4.12	44%	121%
30-40	0.30	43%	3.35	36%	62%
40-50	0.18	25%	1.34	14%	50%
50-60	0.08	11%	0.38	4%	38%
>60	0.07	10%	0.19	2%	22%

Source: Company, JM Financial

Interestingly, this increasingly active cohort in equity derivatives (age 20-40 years) also constitutes 70% of all the investors in mutual fund schemes (Source: NSE EPR). This offers a strong cross-selling opportunity to Angel One, especially in new business segments like wealth management.

In the case of Angel One, we have seen that while the earlier cohorts (for instance, in FY21) saw a larger proportion of clients engaging in F&O trading (54% had at least some exposure to F&O), the cohorts are increasingly moving towards cash equities (by FY23 this number has significantly gone down to 32%).

Exhibit 51. Share of clients engaged in some form of F&O has reduced over time

Percentage of cohorts transacted till FY25	FY21	FY22	FY23
Only F&O	5%	6%	4%
Cash + F&O	49%	37%	28%
Only cash	46%	57%	68%

Source: Company, JM Financial

With constant engagement, especially with clients holding securities in their Angel One demat accounts, the company can cross-sell its distribution products, thus, maintaining the customer wallet.

We have seen stickiness of clients in the vintage cohorts. Even if regulatory and behavioural changes reduce participation in derivatives, mutual funds and other wealth management products along with insurance products can sustain client usage.

In FY25, 91% of individual traders incurred losses in the equity derivatives segment with total loss of INR 1.06trln, a study of 9.6mn retail clients from to 13 brokers published by SEBI revealed. This means an average trader lost INR 110k in equity derivatives.

For Angel One, the number of F&O orders per client was 45 in FY25 and it earned around INR 24.7bn from fees on options trades (at a rate of INR 20 per order for 1,236 orders) in FY25. Thus, 7.4mn NSE active clients potentially losing INR 110k each can translate into a sum of around INR 800bn – at a take-rate of 0.8% for the wealth management business – translates into INR 6.4bn of recurring revenue from this cohort.

Additionally, just around 1/3rd of Angel One's total clients are active. Hence, the actual revenue potential triples to around INR 19bn. Such a recurring book will counter any dip in client acquisition in the broking funnel.

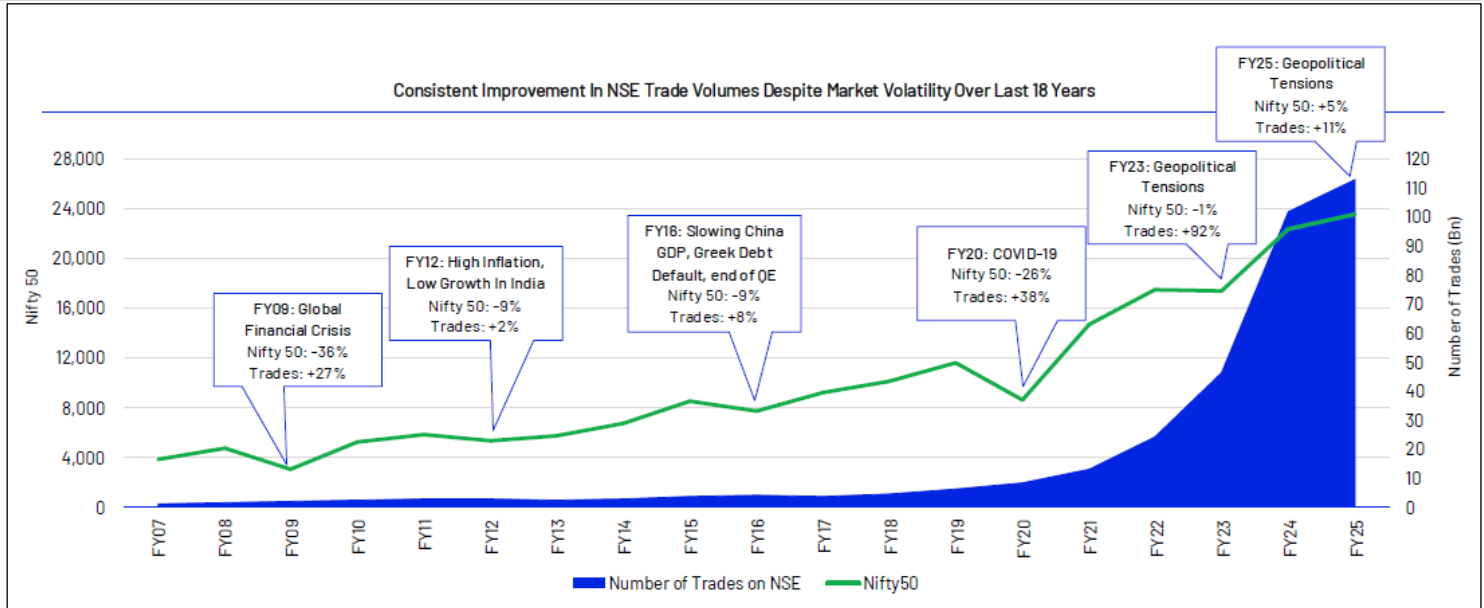
A gradual transition of these customers from the broking business to wealth management would mean Angel One might let go of INR 3,350 revenue per client (net broking revenue of FY25 divided by average clients in FY25) in the broking business but would earn recurring revenue of INR 865 per client (INRE 6.4bn divided by 7.4mn NSE active clients) in the wealth business.

Though this number looks relatively smaller, the wealth business will itself grow over time with equity appreciation. Further, with appreciation of AUM, a company like Angel One can generate a higher share of wallet from these customers.

➤ Market volumes have not corrected even across unfavourable macro events

Over the past 18 years, the Indian equity market has witnessed a remarkable transformation in terms of retail investor participation. The chart below (see Exhibit 52) illustrates this shift by mapping the number of trades executed on the NSE by retail investors (in billions) against the movement of the Nifty 50 index from FY07 to FY25. While the Nifty 50 has experienced multiple cycles of growth and correction, the volume of retail trades has shown a steady and exponential increase, indicating a structural decoupling of investor activity from market cyclicality.

Exhibit 52. Consistent improvement in NSE trade volumes despite market volatility over last 18 years



Source: Company, JM Financial, NSE; Note: Trade volumes represent number of trades in cash market and number of contracts for F&O on NSE

Between FY07 and FY13, retail trade volumes were relatively modest and closely followed market trends, often rising during bull runs and declining during periods of correction. However, a significant shift began post-FY20, when trade volumes surged sharply despite heightened market volatility. For instance, during FY20 (the onset of Covid-19) and FY23 (a year marked by geopolitical tensions and monetary tightening), trade volume showed a positive momentum even as the Nifty 50 growth was limited or negative.

This trend underscores a fundamental change in the behaviour of Indian retail investors. Improved access to digital trading platforms, a surge in demat account openings, and rising financial awareness have empowered a new class of investors who are more consistent, informed, and willing to participate irrespective of short-term market direction. The resilience and persistence of retail trading activity point to a maturing capital market, where participation is increasingly driven by long-term engagement rather than reactive sentiment. This structural evolution has critical implications for market depth, liquidity, and the democratisation of investing in India.

➤ Regulatory oversight has made the markets attractive for retail investors

In Jan'23, SEBI analysed the behaviour of F&O participants from FY19 to FY22, supplemented with incremental findings for FY23 and FY24. [\[Link\]](#) In the Sep'24 study, SEBI pointed out that 93% of the over 10mn individual F&O traders incurred average losses of INR 0.2mn, inclusive of transaction costs. During this phase, SEBI introduced peak margin norms in FY21-FY22, margin segregation and quarterly payout of client funds in FY23 and ASBA in FY24. With these regulations, the space has become more conducive for retail participation. As a result, individual traders (clients of top 15 brokers) active in the derivatives segment rose from 0.7mn in FY19 to 9.6mn by FY24, implying 68% CAGR. Some of these regulations hit Angel One's revenue and profitability, as examined below.

Upstreaming of client funds increased borrowing costs...

With effect from 1st Oct'23, SEBI mandated upstreaming of client funds only in the form of cash, lien on fixed deposit receipts (subject to certain conditions), or pledge of units of Mutual Fund Overnight Schemes (MFOS). As a result, the practice of using bank guarantees was sunset. Hence, Angel One needed to borrow incrementally – the company had estimated around INR 7bn to INR 8bn of additional working capital requirements, leading to an annualised additional borrowing cost of around INR 500mn.

Consequently, Angel One's borrowings expanded 3x to INR 25bn in FY24.

...True-to-label guidelines phased out ancillary transaction revenue, compensated by new charges...

Angel One earned 9% of its FY24 revenue from ancillary transaction revenue, which was the difference between what it received from clients for depository charges, exchange fees, etc. and what it actually paid out. With true-to-label guidelines issued by SEBI on 1st Jul'24 [\[Link\]](#), the retail broking industry lost this revenue stream.

To counter this loss in revenue, Angel One levied additional charges, including for cash orders, bringing in revenue of INR 238mn in 3QFY25, against INR 1,150mn in ancillary transaction income in 2QFY25.

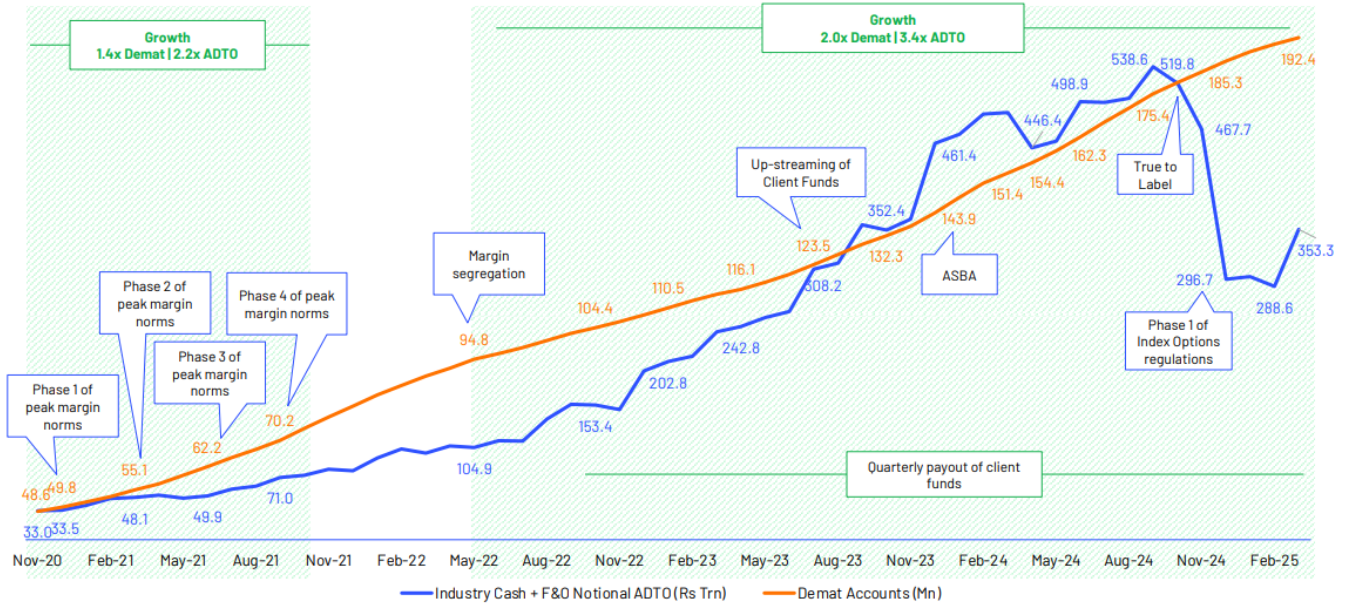
...Index options regulations led to a decline in industry volume...

With effect from 1st Oct'24, SEBI raised the contract size for index derivatives to INR 1.5mn to INR 2.0mn from INR 0.5mn to INR 1.0mn earlier; as a result, volumes from smaller clients reduced. Alongside weak client acquisition in FY25 and uncertain macros, F&O orders for industry came off from a peak of 889mn in Jun'24 to 504mn in Feb'25 (-43%), before recovering to 586mn by Jun'25, up 16% from the Feb'25 bottom, down 34% YoY. As volume reduced, revenue from new clients for Angel One also reduced, resulting in a scenario where newly acquired clients broke even after 10 months in FY25, compared to 7 months in FY23/FY24.

Through this recent cycle, Angel One maintained its share of industry orders at ~20%.

Exhibit 53. Regulations have a positive impact on long-term growth of the sector

Regulations Create Greater Trust And Safety Leading To Long Term Growth



Source: Company, JM Financial

...Resulting in expansion of user demography and higher revenues from vintage clients

For Angel One, enhanced oversight implies that clients who suffered losses initially and stayed away from markets can return – implying higher revenue from vintage cohorts – supporting growth even when new client acquisition is slow with higher competition.

In the interim, Angel has expanded its product offerings, with wealth management, mutual funds and insurance catering to a more mature clientele beyond the younger investors who have focused on derivatives.

Further, there is scope of widening of the new investor base – with older and female population opting for the index (and equity) derivative products. In its initial study of FY19-FY22, SEBI pointed out that 80%+ of F&O traders were male and 75% were less than 40 years of age.

➤ Agile business machinery with a strong promoter provides comfort

Angel One has undergone a remarkable transformation in recent years, successfully shifting from a predominantly physical business model to a fully digital platform. This transition, which occurred largely between 2017 and 2020, coincided with the rapid digitisation of India’s economy. Angel One demonstrated strategic agility during this period, quickly adapting to evolving market dynamics and consumer expectations. While newer retail discount brokers like Zerodha, which started in 2010, were already operating with a digital-first model, Angel One had to pivot from its legacy infrastructure to remain competitive. This transformation was not merely a choice, but a strategic necessity to stay relevant in a fast-changing brokerage landscape.



































A key figure in this transformation was Mr Vinay Agrawal, the former CEO of Angel One, who played an instrumental role in steering the company through its digital journey. Mr Agrawal passed away in Apr’21. Despite this significant leadership loss, the company managed to navigate the transition smoothly by appointing Mr Narayan Gangadhar as the new CEO. Mr Gangadhar brought a wealth of global experience to the organisation, having held senior positions at leading technology companies such as Uber, Google, Amazon, and Microsoft during his time in the United States. His tenure, though relatively short, was marked by continued emphasis on tech-driven growth and product innovation. He stepped down in Feb’23.

Following Mr Gangadhar’s departure, the company returned to its roots with Mr Dinesh Thakkar, chairman and managing director and promoter of Angel One, taking a more active leadership role. Mr Thakkar’s return to the forefront underscores the depth and strength of promoter backing within the organisation. Under his guidance, the company has continued to deliver strong business performance, highlighting its resilience and agile DNA.

In Mar’25 the company appointed Mr Ambarish Kenghe as its new Group CEO. Having worked at Google Pay APAC and Myntra previously, Mr Kenghe is expected to drive the company’s growth by focusing on digital transformation, product innovation, and enhancing customer experiences.

Angel One’s ability to manage leadership transitions effectively, while sustaining growth momentum reflects its robust internal culture and strategic foresight. The promoter’s deep involvement and long-term vision have been central to Angel One’s ability to adapt, evolve, and maintain a competitive edge in India’s rapidly growing capital markets.

Exhibit 54. Experienced board and senior management personnel

Board of Directors					
 Muralidharan Ramachandran Independent Director	 Mala Tadarwal Independent Director	 Dinesh Thakkar Chairman and Managing Director	 Krishnaswamy Sridhar Independent Director	 Kalyan Prasath Independent Director	 N T Arunkumar Independent Director
 Krishna Iyer Non-Executive Director	 Ambarish Kenghe Whole-time Director	 Amit Majumdar Whole-time Director	 Ketan Shah Whole-time Director (Till 18 th Jul, 2025)		
Experienced Management Team					
 Dinesh Thakkar Chairman and Managing Director	 Ambarish Kenghe Group Chief Executive Officer	 Vineet Agrawal Group Chief Financial Officer	 Amit Majumdar Group Chief Strategy Officer	 Srikanth Subramanian Co-founder & Chief Executive Officer - Ionic Wealth	 Hemen Bhatia Chief Executive Officer - AMC
 Ravish Sinha Group Chief Product & Technology Officer	 Jyotisarup Raiturkar Group Chief Architect & Chief Technology Officer	 Ankit Rastogi Chief Product Officer	 Arief Mohamad Chief Business Officer - Direct Business	 Shobhit Mathur Co-founder - Ionic Wealth	 Mehul Dama Chief Investment Officer - AMC
 Nishant Jain Chief Business Officer - Assisted Business	 Saurabh Agarwal Chief Business Officer - New Business	 Ketan Shah Chief Sales & Revenue Officer - Assisted Business (Till 18 th Jul, 2025)	 Rohit Chatter Chief Data Officer	 Dharmendra Jain Co-founder - Ionic Wealth	 Sameer Desai Chief Business Officer - AMC
 Anuprita Daga Group Chief Information Security Officer	 Manmohan Singh Group Chief Risk Officer	 Subhash Menon Group Chief Human Resources Officer	 Meenal Maheshwari Shah Group General Counsel	 Manoj Agarwal Group Chief Compliance Officer	 Bhavin Parekh Chief Product Operations Officer
		 Devender Kumar Chief Revenue Officer - Direct Business (Till 30 th Sep, 2025)			

Source: Company, JM Financial

Key Managerial Personnel

Exhibit 55. Key management personnel

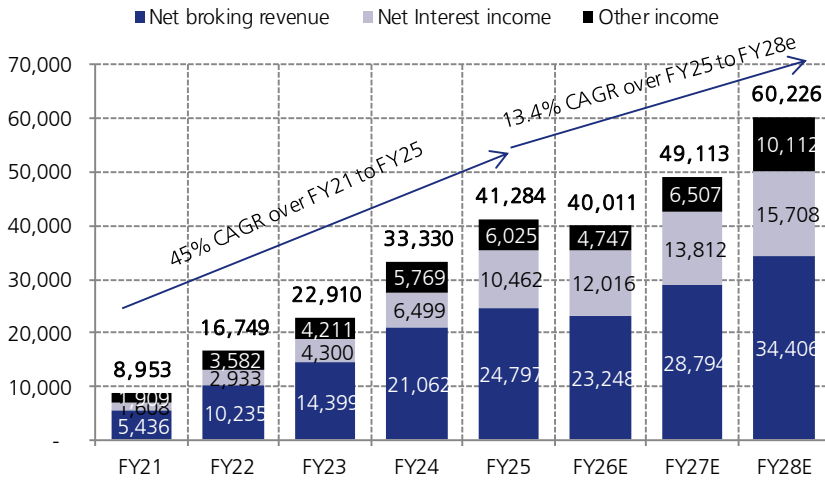
Name	Designation	Profile
Mr. Dinesh Thakkar	Chairman and Managing Director	He is one of the Promoters of the Company. He has been a Director on the Board since October 23, 2007. He has done his schooling from St. John the Baptist High School (1978-1980) and had studied science from college from Kishinchand Chellaram College of Arts Commerce and Science in the field of science. He has over 30 years of experience in the broking industry.
Mr. Ambarish Kenghe	Group Chief Executive Officer	He joined the company as a Group CEO effective from 6th March 2025. He did his bachelor's degree in Computer Engineering from AMU university and master's degree from Indian Institute of Technology, Kanpur. He further did his Computer Science from Purdue University and his masters of business administration (MBA) from University of California, Berkeley. He has been previously associated with Google, Myntra, Raymond Ltd and Bain and company.
Mr. Vineet Agrawal	Group Chief Financial Officer	He holds a bachelor's degree of commerce from the University of Calcutta. He has professional qualification such as Chartered Accountant, Company Secretary and Cost Accountant. He has over 27 years of experience in the manufacturing, financial and telecommunication sectors. Previously, he has worked with STP Limited, Reliance Infocomm Limited, Kitply Industries Limited, Reliance Communications Limited, Bharti Airtel Limited, Suzlon Energy Limited, Secure Meters Limited and Bergwerff Organic (India) Private Limited. He has been associated with the Company since September 22, 2015.
Mr. Amit Majumdar	Group Chief Strategy Officer	He has over 20 years of experience in business leadership and strategy heads all the strategic initiatives in the Company. Prior to joining the Company, he held leadership positions in Wellspring Healthcare Private Limited and AGS Transact Technologies Limited. He was also associated with S.R. Batliboi & Co. LLP, Cho Hung Bank, Rabo India Finance Private Limited and Ambit Corporate Finance Pte Ltd.
Mr. Jyotisarup Raiturkar	Group Chief Architect and Chief Technology Officer	He has been associated with the Company since July 26, 2021. He holds a bachelor degree of computer science engineering from Nagpur University and masters of computer science degree from Illinois Institute of Technology, Chicago, USA. Prior to joining the Company, he was associated with Walmart Global Technology Services India Private Limited as a senior distinguished technical architect, Inuit India Product Development Centre Private Limited as an architect, ibibo Group Private Limited as chief architect, Samsung Digital Imaging Co. Limited as an assistant development manager, Microsoft India (R&D) Private Limited as a program manager as well as with Tata Power Company Limited, Honeywell Technology Solutions Private Limited and 8kpc India Private Limited.
Mr. Manoj Agarwal	Group Chief Compliance Officer	He joined the company in February 2025. He did his schooling from Indo English School and Bachelor of Commerce (B.Com) in Accounting and Finance from SIWS college. He was previously associated with companies like HDFC securities, Kotak Securities and Upstox.
Mr. Srikanth Subramanian	Chief Executive Officer and Co-founder – Angel One Wealth Limited	He joined the company in March 2024. He has pursued master's in business administration (MBA) from SVKM's Narsee Monjee Institute of Management Studies (NMIMS). He was previously associated with Kotak Life Insurance, Kotak Wealth management, Kotak Investment advisors and Kotak Cherry. He is a co-founder of Ionic wealth (by Angel One).
Mr. Shobhit Mathur	Co-founder – Angel One Wealth Limited	He joined the company in March 2024. He has done his Bachelor of Technology from Varanasi and pursued post-graduation business administration and management from XLRI Jamshedpur. He was previously associated with Kotak Mahindra Bank, Kotak Investors and Kotak Cherry. He is also a co-founder of Ionic wealth (by Angel One).
Mr. Dharmendra Jain	Co-founder – Angel One Wealth Limited	He joined the company in March 2024. He has pursued Bachelors in Commerce (Honors) from St. Xavier's College. He is also a Chartered Accountant. Prior to joining the company, he was previously associated with Infosys Technologies Ltd, ICICI Bank, ASK Group, Kotak Wealth management. He is also a co-founder of Ionic wealth (by Angel One).
Mr. Hemen Bhatia	ED and Chief Executive Officer – Angel One Asset Management Company Limited	He joined the company in April 2024. He has done his Masters of Management Studies (MMS) in Finance from Indian Education Society Institute of Management Studies. He was previously associated with Benchmark Asset Management and Company, Goldman Sachs Asset Management (India) Pvt. Ltd and Nippon Life India AMC.
Mr. Mehul Dama	Chief Investment Officer – Angel One Asset Management Company Limited	He joined the company in December 2024. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He was previously associated with PricewaterhouseCoopers (PwC), benchmark Asset Management and Company, Goldman Sachs Asset Management (India) Private Limited and Reliance Nippon Life Asset Management Ltd.

Source: Company, JM Financial

Financial Summary

Net revenue to grow at 13.4% over FY25-FY28e

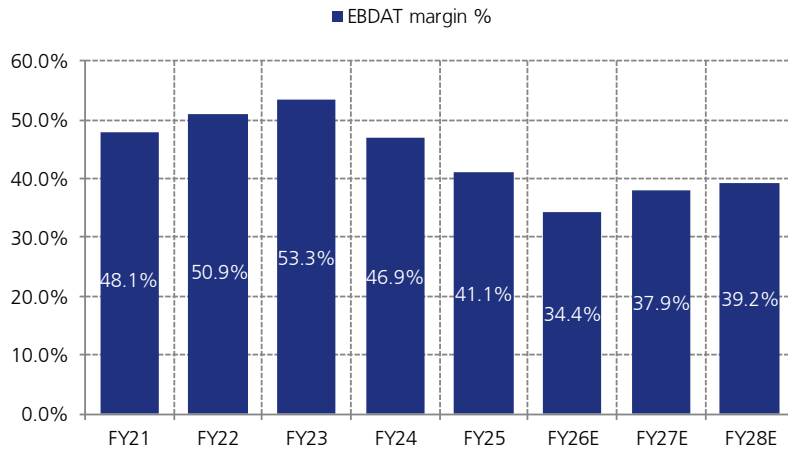
Exhibit 56. Net revenue is expected to grow at 13.4% CAGR over FY25-FY28e (INR mn)



Source: Company, JM Financial

EBDAT margin to recover going ahead

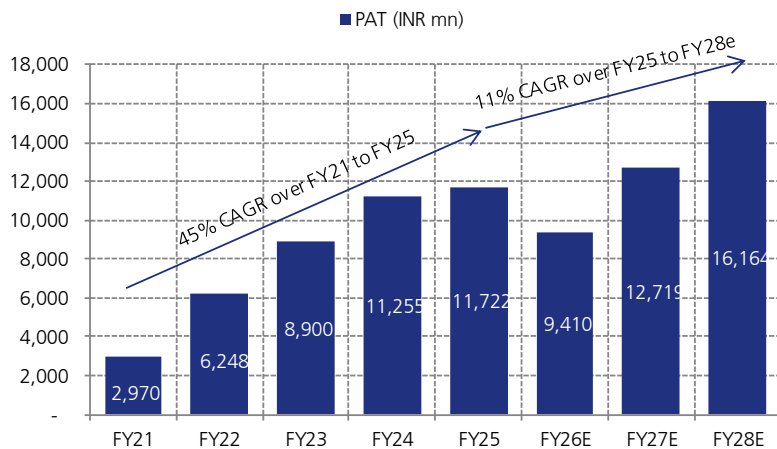
Exhibit 57. EBDAT margin is expected to be subdued for FY26 before covering in FY27-FY28e



Source: Company, JM Financial

Profits to compound at ~11% CAGR over FY25-FY28e

Exhibit 58. PAT growth to pick up pace after a speed-bump in FY26



Source: Company, JM Financial

Exhibit 59. Angel One: Annual income statement

Revenue split INR mn	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e
Gross Revenue	12,952	23,012	30,212	42,797	52,478	50,873	62,495	76,302
Interest Expense	389	721	895	1,360	2,948	3,467	4,099	4,982
Fees and commission expense	3,630	5,502	6,407	8,107	8,246	7,395	9,283	11,094
Net Revenue	8,933	16,788	22,910	33,330	41,284	40,011	49,113	60,226
Employee benefit expense	1,699	2,809	3,979	5,564	8,552	11,535	13,394	15,964
Impairment on financial instruments	330	77	36	89	25	11	24	29
Other expenses	2,610	5,349	6,673	12,042	15,752	14,712	17,070	20,643
Operating expense	4,639	8,235	10,689	17,695	24,329	26,258	30,488	36,636
Reported EBDAT	4,294	8,554	12,222	15,635	16,955	13,753	18,625	23,590
EBDAT margin %	48.1%	50.9%	53.3%	46.9%	41.1%	34.4%	37.9%	39.2%
Depreciation	181	186	303	499	1,034	1,233	1,437	1,746
Total Expenses	4,820	8,421	10,991	18,193	25,363	27,491	31,925	38,382
PBT	4,113	8,367	11,919	15,136	15,921	12,520	17,188	21,844
Tax	1,132	2,117	3,016	3,881	4,199	3,110	4,469	5,679
Exceptional items	-11	-3	-2	-0	-0	-	-	-
PAT	2,970	6,248	8,900	11,255	11,722	9,410	12,719	16,164

Source: Company, JM Financial

RoE declined in FY26 as the company raised funds via QIP

Exhibit 60. DuPont analysis

DuPont (As a % of Balance sheet assets)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue from ops / Avg. Assets	51.6%	36.7%	40.8%	41.1%	34.6%	28.0%	30.3%	32.4%
Other Revenues / Avg. Assets	2.0%	1.2%	0.3%	0.1%	0.2%	0.2%	0.2%	0.2%
Total Revenues / Avg. Assets	53.6%	37.9%	41.1%	41.3%	34.8%	28.2%	30.5%	32.7%
Employee cost / Avg. Assets	6.8%	4.6%	5.4%	5.4%	5.7%	6.4%	6.5%	6.8%
Finance cost and fees expense / Avg. Assets	17%	10%	10%	9%	7%	6%	7%	7%
Operating cost / Avg. Assets	37.0%	24.2%	24.9%	26.7%	24.3%	21.2%	22.1%	23.3%
PBT / Avg. Assets	16.5%	13.7%	16.2%	14.6%	10.6%	6.9%	8.4%	9.3%
RoA (%)	12%	10%	12%	11%	8%	5%	6%	7%
Assets/Equity (x)	4.2x	4.4x	3.9x	4.0x	3.5x	2.9x	2.8x	2.7x
RoE (%)	51.4%	45.3%	47.5%	43.3%	27.0%	15.4%	17.6%	18.7%

Source: Company, JM Financial

Quarterly Performance

Exhibit 61. Angel One: Quarterly performance

Revenue split INR mn	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	QoQ %	YoY %
Gross Broking Income	5,575	7,270	7,084	9,240	9,173	9,356	8,182	6,332	6,906	9%	-25%
Interest Income	1,448	1,812	2,123	2,476	2,944	3,594	3,494	3,378	3,564	6%	21%
Other Income	1,088	1,411	1,401	1,869	1,983	2,210	963	869	961	11%	-52%
Gross Revenue	8,111	10,493	10,608	13,585	14,100	15,160	12,639	10,579	11,431	8%	-19%
Interest Expense	183	264	356	556	556	754	835	803	829	3%	49%
Fees and commission expense	1,642	2,071	1,977	2,418	2,411	2,422	1,946	1,468	1,689	15%	-30%
Net Revenue	6,286	8,158	8,275	10,611	11,133	11,984	9,858	8,308	8,913	7%	-20%
Employee benefit expense	1,232	1,329	1,416	1,587	2,010	2,302	2,373	1,867	2,739	47%	36%
Impairment on financial instruments	18	19	21	31	33	-9	-0	1	-5	-601%	-115%
Other expenses	1,980	2,626	3,198	4,238	4,897	3,713	3,344	3,798	4,235	12%	-14%
Operating expense	3,230	3,974	4,634	5,856	6,940	6,007	5,717	5,665	6,969	23%	0%
Reported EBDAT	3,056	4,184	3,641	4,754	4,194	5,977	4,141	2,643	1,944	-26%	-54%
EBDAT margin %	48.6%	51.3%	44.0%	44.8%	37.7%	49.9%	42.0%	31.8%	21.8%		
Depreciation	89	112	131	167	226	256	267	285	299	5%	32%
Total Expenses	3,319	4,086	4,765	6,023	7,166	6,263	5,984	5,950	7,269	22%	1%
PBT	2,967	4,072	3,510	4,587	3,968	5,721	3,874	2,358	1,644	-30%	-59%
Tax	759	1,027	907	1,188	1,041	1,487	1,059	612	500	-18%	-52%
Exceptional items	-	-	-0	-0	-0	-0	-	-	-		
PAT (INR mn)	2,208	3,045	2,603	3,399	2,927	4,234	2,816	1,746	1,145	-34%	-61%

Source: Company, JM Financial

1QFY26 concall notes

Angel One reported a weak quarter marred by IPL costs & lower number of orders YoY

- Although total number of orders declined YoY from 462mn in 1QFY25 to 343mn in 1QFY26 (-26% YoY), it was up 4.8% sequentially. This was reflected in gross broking revenue growing at 9% QoQ.
- Interest income saw continued growth (+6% QoQ, +21% YoY) driven by robust average client funding book at INR 42bn (+15% QoQ, +60% YoY) and higher placement of deposits.
- Sequential other income growth of 11% was led by income from depository operations (+14% QoQ – reflecting higher delivery based volumes) and income from distribution business (distribution of credit, insurance products and IPOs). 52% YoY decline was majorly due to elimination of ancillary transaction charges income (reduced to zero from 4QFY25).
- IPL cost of INR 1,117mn (-2% YoY) pushed up operating expenses to INR 6.97bn (+23% QoQ, flat YoY). Angel One entered into an agreement with IPL in 2024 to be an associate partner for 5 years from 2024 to 2028. This IPL cost hits income statement during 1Q and 4Q depending on exact dates.
- EBDAT margin declined to 21.8% in 1QFY26. Adjusting for IPL expense, ancillary transaction income and variable pay reversal normalised EBDAT margin stood at 34.3% vs 28.2% in 4Q25 on like to like basis.
- Total ESOP cost for the year FY26 (including previous years) is expected to be INR 2.1bn and the company incurred 0.45bn in 1QFY26 meaning INR 0.55bn per quarter for the remaining 3 quarters.

Key risks

Integration of newer journeys on the app may not be liked by users

Angel One has diversified its revenue mix with a growing share of net interest Income and distribution income. This has been facilitated by successful launch of its super app. As it expands asset management, credit and insurance offerings, there is always the threat of consumer journeys becoming clumsy, resulting in drop out of acquired clients.

Continued weakness in industry volumes

SEBI has time and again expressed concerns on the losses retail investors are making in derivatives. With these efforts, industry volumes have come off from Jun'24 peaks. We are already building a decline in broking revenue in FY26 from FY25 levels, even as Angel has maintained its market share of 20% of NSE active clients. If this weakness sustains onto FY27, even if Angel is able to maintain its share of the pie, shrinkage of the pie will lead to stagnating (or slowly growing) revenue beyond FY26e.

Declining RoE with increasing capital intensity of the business

As Angel has seen an increase in its share of revenue coming from financing (net interest income) and SEBI's refresh of guidelines on upstreaming of funds, its borrowings have grown and balance sheet has expanded. The company is now entering insurance manufacturing, which is again a capital intensive business. With these efforts, capital consumption is increasing, which will result in declining RoE and lower dividend payouts.

Inability to maintain a well-knit management team

Angel One is increasingly offering financial products, like third-party mutual funds, loans and insurance, over and above the team already managing the app and assisted journeys. This create a mesh of products and channels, similar to one being managed by banks and insurance companies. Ability to manage the new offerings is a key for the company, lest it give up its gains in diversifying beyond the core business.

Appendix: Company profile

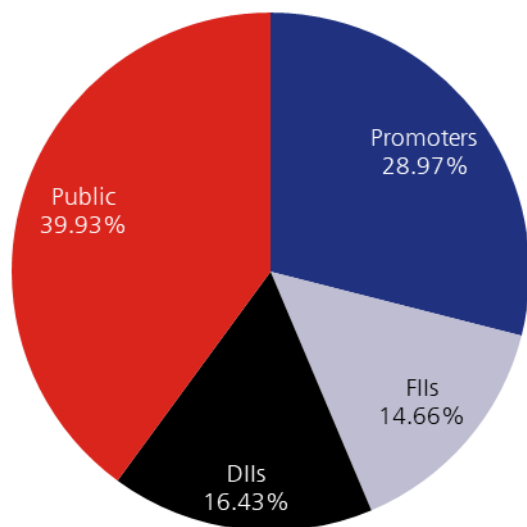
Angel One Limited is one of the largest listed retail lending broking houses in India. It was incorporated on 8th Aug'96 as M. BNL. Securities Private Limited and became a public limited company in Jun'18. It got listed on 5th Oct'20. It primarily engages in stock, currency, and commodity broking, provides margin trading facilities, depository services, and distributes mutual funds. Its main sources of income are brokerage, fees, commissions, and interest.

Exhibit 62. Timeline of incorporation of Angel One

Date	Event & Company Type	Company Name
August 8, 1996	Incorporated as a Private Limited Company	M. BNL. Securities Private Limited
March 15, 1997	Converted to deemed public company; "private" removed from name (Deemed Public Company)	M. BNL. Securities
June 17, 2003	Converted back to private limited company; "private" added again (Private Limited Company)	M. BNL. Securities Private Limited
March 31, 2005	Name changed to Angel Infin Private Limited (Private Limited Company)	Angel Infin Private Limited
January 22, 2009	Name changed to Angel Global Capital Private Limited (Private Limited Company)	Angel Global Capital Private Limited
May 16, 2012	Name changed to Angel Broking Private Limited after court-approved merger (Private Limited Company)	Angel Broking Private Limited
June 28, 2018	Converted to public limited company and name changed to Angel Broking Limited (Public Limited Company)	Angel Broking Limited
September 23, 2021	Final name changed to Angel One Limited (Public Limited Company)	Angel One Limited

Source: Company, JM Financial

Exhibit 63. Exhibit 72. Shareholder pattern as of Jun'25



Source: Company, JM Financial

Exhibit 64. Board of directors

Name	Designation
Mr. Dinesh Thakkar	Chairman and Managing Director
Mr. Ketan Shah	Whole Time Director
Mr. Amit Majumdar	Whole Time Director
Ms. Mala Tadarwal	Non-Executive Independent Director
Mr. Muralidharan Ramachandran	Non-Executive Independent Director
Mr. Krishna Iyer	Non-Executive Director
Mr. Krishnaswamy Arabadi Sridhar	Non-Executive Independent Director
Mr. Kalyan Prasath	Non-Executive Independent Director
Mr. Arunkumar Nerur Thiagarajan	Non-Executive Independent Director

Source: Company, JM Financial

Financial Tables

Income Statement (INR mn)					
	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Broking Income	29,169	33,043	30,643	38,077	45,500
Interest Income	7,859	13,410	15,483	17,911	20,690
Other Income	5,769	6,025	4,747	6,507	10,112
Gross Revenue	42,797	52,478	50,873	62,495	76,302
Interest Expense	1,360	2,948	3,467	4,099	4,982
Fees and commission expense	8,107	8,246	7,395	9,283	11,094
Net Revenue	33,330	41,284	40,011	49,113	60,226
Employee benefit expense	5,564	8,552	11,535	13,394	15,964
Impairment on financial instruments	89	25	11	24	29
Other expenses	12,042	15,752	14,712	17,070	20,643
Operating expense	17,695	24,329	26,258	30,488	36,636
Depreciation	499	1,034	1,233	1,437	1,746
Total Expenditure	18,193	25,363	27,491	31,925	38,382
Profit before tax & Exceptional items	15,136	15,921	12,520	17,188	21,844
Tax	3,881	4,199	3,110	4,469	5,679
PAT (Pre-Extraordinaries)	11,255	11,722	9,410	12,719	16,164
Exceptional Items	(0)	(0)	-	-	-
Reported Profit (PAT)	11,255	11,722	9,410	12,719	16,164
Dividend	2,911	4,334	2,812	4,058	5,160
Retained earnings	8,344	7,388	6,598	8,661	11,004

Source: Company, JM Financial

Du-Pont Analysis					
As a % of Balance sheet assets	FY24A	FY25A	FY26E	FY27E	FY28E
Net Revenues / Avg. Assets	41.1%	34.6%	28.2%	31.0%	33.8%
Other income / Avg. Assets	0.1%	0.2%	0.2%	0.2%	0.2%
Total Revenues / Avg. Assets	41.3%	34.8%	28.4%	31.2%	34.0%
Employee cost / Avg. Assets	5.4%	5.7%	6.4%	6.7%	7.1%
Brokerage / Avg. Assets	9.1%	7.4%	6.1%	6.7%	7.2%
Operating cost / Avg. Assets	26.7%	24.3%	21.4%	22.6%	24.3%
PBT / Avg. Assets	14.6%	10.6%	7.0%	8.6%	9.7%
RoA (%)	10.9%	7.8%	5.3%	6.4%	7.2%
Avg Assets/Equity (x)	4.0x	3.5x	3.0x	3.0x	2.9x
RoE (%)	43.3%	27.0%	15.8%	18.9%	21.0%

Source: Company, JM Financial

Valuation					
	FY24A	FY25A	FY26E	FY27E	FY28E
Shares in issue (mn)	84.0	90.3	90.3	90.3	90.3
EPS (INR)	134.0	129.8	104.2	140.9	179.0
EPS (YoY)(%)	26%	-3%	-20%	35%	27%
PER (x)	17.0	17.5	21.8	16.2	12.7
BV (INR)	361.7	624.5	697.6	793.5	915.4
BV (YoY)	39.6%	72.7%	11.7%	13.8%	15.4%
P/BV (x)	6.3	3.6	3.3	2.9	2.5
DPS (INR)	34.7	48.0	31.1	44.9	57.2
Div. yield (%)	1.5%	2.1%	1.4%	2.0%	2.5%

Source: Company, JM Financial

Balance Sheet (INR mn)					
	FY24A	FY25A	FY26E	FY27E	FY28E
Share capital	840	903	903	903	903
Reserves & Surplus	29,546	55,488	62,086	70,747	81,751
Networth	30,386	56,391	62,989	71,650	82,654
Trade payables	71,970	73,177	79,031	87,725	97,374
Borrowings	25,353	33,828	41,271	45,398	49,937
Other liabilities	226	393	432	475	523
Tax liabilities	162	256	281	309	340
Provisions	4,440	4,841	5,278	5,755	6,275
Total Equity and Liabilities	132,537	168,886	189,283	211,312	237,104
Net Fixed Assets	3,563	4,504	6,306	8,513	11,492
Total non-current investments	499	494	667	834	1,042
Deferred tax assets	73	85	106	133	166
Other non - current assets	1,740	1,774	2,307	2,883	3,604
Total Non-current assets	5,874	6,857	9,386	12,363	16,304
Total Current investments	-	2,016	2,016	2,016	2,016
Trade receivables	4,869	2,996	3,745	4,681	5,851
Cash and bank balance	98,443	118,044	111,027	123,787	132,889
Short - term loans and advances	14,841	36,988	60,826	65,841	77,024
Other current assets	8,510	1,985	2,283	2,625	3,019
Total Current Assets	126,663	162,029	179,897	198,950	220,799

Source: Company, JM Financial

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: sahil.salastekar@jmfl.comGrievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.