

Date: 30th January, 2025

To, Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai-400 051 NSE Symbol: EMKAY	To, Listing Department BSE Limited P. J. Tower, Dalal Street, Mumbai 400 001 BSE Scrip Code:532737
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Dear Sir/Madam

Sub: Investor Presentation for the Quarter and nine months ended 31st December, 2024

Please find enclosed herewith the Investor presentation of the Unaudited Financial Results for the Quarter and Nine months ended as on 31st December, 2024. The same is being uploaded on the website of the Company i.e. www.emkayglobal.com.

We request you to kindly take the same on your record.

Thanking you,

Yours faithfully,

For Emkay Global Financial Services Limited

B. M. Raul
Company Secretary & Compliance Officer



Emkay[®]

Your success is our success



INVESTOR PRESENTATION

Q3

FY 25

SAFE HARBOUR

This presentation and the following discussion may contain “forward looking statements” by Emkay Global Financial Services Limited (EGFSL) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of EGFSL about the business, industry and markets in which EGFSL operates.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond EGFSL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not and should not be construed as a representation of future performance or achievements of EGFSL. In particular, such statements should not be regarded as a projection of future performance of EGFSL. It should be noted that the actual performance or achievements of EGFSL may vary significantly from such statements.

All information in this presentation has been prepared solely by the company and has not been independently verified by anyone else. This presentation is for information purposes only and does not constitute an offer or recommendation to buy or sell any securities of EGFSL.

**Dear Investors,
Season's Greetings!**

As the first month of 2025 draws to a close, we hope this year has started on a promising note for you.

Q3 FY25 was a challenging quarter, marked by sluggish Q2 earnings growth, slowing GDP, and heightened market volatility. Regulatory changes like an increase in the contract size for index derivatives, rationalisation of weekly index derivatives products and an increase in tail risk coverage on the day of options expiry coupled with a sharp FII sell-off amid a stronger dollar further pressured trading activity, leading to a 16% QoQ decline in volumes.

The coming months will be both exciting and challenging as the world is undergoing swift changes, both in terms of economic prospects and geopolitics. The installation of Donald Trump for a second term as President of the USA, along with his US-centric approach to global issues and the potential imposition of fresh tariff walls, could influence global alignments and fund flows.

The unwinding of the hard money policy in both India and the US may attract fund flows back into high-risk, high-return emerging market assets. Additionally, the peaceful resolution of conflicts in the Middle East and East Europe could help reduce uncertainties.

We share with you the performance update for Q3 FY25, a quarter that has tested resilience but also set the stage for future opportunities.

Our Capital Markets division successfully executed 1 block worth INR 1,780 million and completed 3 ECM transactions totaling INR 42,920.55 million during the quarter. Additionally, we secured new mandates, including 3 QIPs, 1 IPO and 2 Private Equity deals, further strengthening our pipeline.

In Asset Management, 5 out of our 6 strategies outperformed their respective benchmarks, underscoring our commitment to delivering consistent value to our clients.

Technological advancements have been a cornerstone of our growth this quarter, with significant upgrades to our accounting systems, the implementation of new trading platforms within exchange colocation and proximity data centers, and the successful migration of critical servers to the latest supported versions.

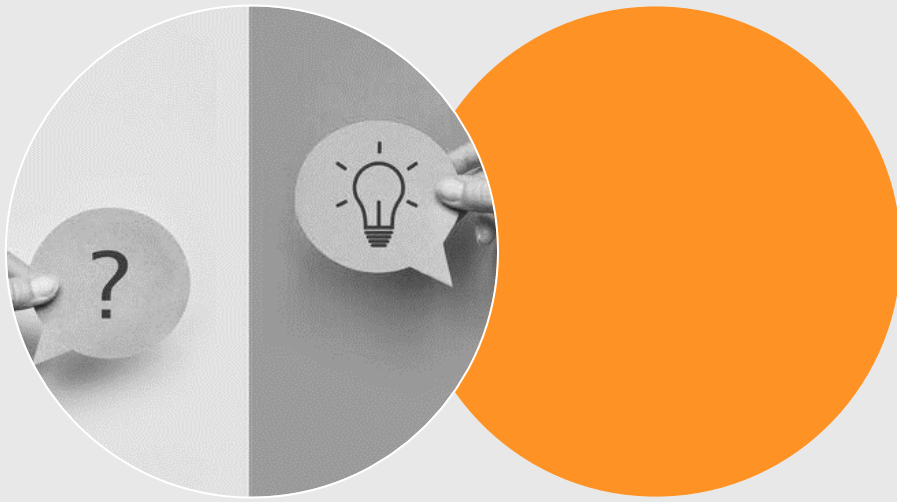
Additionally, the exercise of 1,79,012 ESOPs aggregating to 0.72% of the outstanding equity of the company by our employees this quarter reflects their unwavering confidence in the company's long-term vision and growth prospects.

January has been a brutal month with relentless FPI selling aggregating to INR 7,90,160 million. Though Nifty has corrected by 4%, small-cap index has corrected by 11% and mid-cap index has corrected by 7%. The breadth of the market has been very weak. The Q3 results season so far has been at par with no major outliers. Investor sentiment is currently negatively impacted. A few more regulatory changes will be implemented in the next few months, though their impact on volumes remains uncertain. Reserve Bank of India has aggressively started to improve the liquidity in the Banking system with the benefits expected to become visible in the coming quarters. Hopefully, the provisions in the upcoming Union Budget will have a positive impact on investor sentiment in the short term.

The longer-term growth story remains intact, and all our business verticals are poised to grow over the medium term.

Warm Regards,

Krishna Kumar Karwa & Prakash Kacholia
Managing Directors



Investor Insights: Addressing Your Key Questions

Group Performance



How did the macroeconomic environment impact Emkay's business performance this quarter?

The Q2 FY25 earnings season was relatively muted, with high sectoral divergence. Topline growth for the Emkay universe was modest at 3% YoY, while PAT remained flat.

India's real GDP growth slowed to 5.4% in Q2, a seven-quarter low, reflecting weaker-than-expected economic expansion. This was driven by sluggish manufacturing and private consumption, impacted by high borrowing costs, inflation, and weak real wage growth.

Additionally, frequent regulatory updates including changes in security margins, lot sizes, and stock categorization created operational challenges, impacting client activity and trading volumes. Overall trading volumes declined 16% QoQ to 2,18,853 billion in Q3. Institutional trading volumes declined due to increased frictional costs in arbitrage trading following tax changes.

The quarter saw significant selling by FIIs, driven largely by the sharp appreciation of the dollar. This trend intensified following a decisive victory for Donald Trump in the U.S. elections. Despite this, domestic market inflows remained strong, averaging INR 300-400 billion per month. A key stabilizing factor was the steady influx through SIPs in equity mutual funds, which reached INR 26,459 crore as per the latest data for December 2024.

During the quarter the Indian stock market also experienced notable volatility. In October 2024, the Nifty 50 declined by 6.2%, marking its worst monthly performance since March 2020. In November 2024, derivatives data signalled rising volatility, with a decline in market-wide open interest and a shift in investor positions. High-net-worth individuals and retail investors moved to net long positions, while foreign investors adopted short positions, indicating cautious sentiment.

Despite the headwinds, Emkay delivered a decent performance in Q3 FY25 with consolidated revenues of INR 839 million and PAT of INR 86 million.

Capital Markets

What has been the key focus of the ECM team in Q3, and how has the deal pipeline evolved since Q2?

The ECM team's primary focus in Q3 has been on executing the existing deal pipeline while simultaneously strengthening the future pipeline. Notably, we have successfully secured several IPO mandates during the quarter.

Can you share an update on the progress of mandates signed in earlier quarters and the mandates secured in the current quarter?

The mandates signed in earlier quarters are progressing as per expectations. In addition to the announced deal closures, we anticipate significant revenue contributions from a few deals that are currently in advanced stages of execution. The major transactions executed during the quarter were:

- Bank of Maharashtra – Merchant Banker to the QIP for INR 35,000 mn
- Senco Gold Limited – Merchant Banker to the QIP for INR 4,590 mn
- Epigral Limited – Merchant Banker to the QIP for INR 3,330.55 mn
- Granules India Limited – Block trade with a transaction value of INR 1,780 mn

Further, 4 new ECM mandates and 2 Private Equity mandates have been secured in Q3 with projected revenue of INR 1,000 million over the next 24 months.

Capital Markets



What progress has been made in enhancing Emkay's research capabilities, and how is it contributing to client engagement and retention?

Emkay continues to strengthen its research franchise by expanding company coverage, with 23 new companies added during the quarter. Our efforts to enhance our sales franchise in Asia have yielded strong traction, particularly in Singapore, Hong Kong, and Taiwan. Additionally, we are making significant investments to expand our presence in the U.S. market. As part of this initiative, we will be hosting our first three-city conference in New York, Boston, and Chicago in the first week of March, featuring 15 prominent companies.



How is Emkay leveraging technology and data analytics in Institutional Equities to deliver better insights and execution for clients?

Our publishing and data management processes are largely automated, requiring minimal human intervention to maintain quality. We are further enhancing these capabilities with a major software upgrade scheduled for February 2025, which includes upgrading our existing software suite and integrating advanced automation layers.

A key highlight of this upgrade is the introduction of an AI-assistant, marking the beginning of AI adoption in our research process. Additionally, we have deepened our use of advanced technology tools, including Bloomberg, by incorporating new automation solutions and leveraging its latest programming features to enhance efficiency and analytical depth.

Asset Management



What has been the AUM growth trajectory in Q3, and which schemes have been the strongest contributors?

Assets under management (AUM) and advisory surpassed INR 15,700 million. PMS+AIF AUMs grew 48% YoY to INR 12,683 million. Emkay Capital Builder, our flagship portfolio management strategy, and Emkay Emerging Stars Fund- Series Vi were the major contributors to this increase.

Emkay Capital Builder	1M	3M	6M	1Y	2Y	3Y	5Y	Since Inception
Emkay Capital Builder - TWRR	-1.5	-1.6	9.4	26.2	27.6	21.1	20.9	17.6
BSE 500 TRI	-1.5	-7.8	-0.7	15.8	21.1	15.4	19.1	16.1
Nifty 50 TRI	-2.0	-8.2	-1.1	10.1	15.6	12.2	15.5	14.3

Note: Performance as on 31.12.2024

AUM of Capital Builder as on 31.12.2024 : INR 3,258 million

AIF VI – Golden Decade

AIF VI	1M	3M	6M	9M	1Y	Since Inception (CAGR)
AIF VI - Class A 1	-0.2	-4.6	12.4	22.1	26.6	28.4
NSE 500	-1.4	-7.7	-0.8	10.5	15.2	23.9

Note: The above returns are pre-tax, post fees

Performance as on 31.12.2024

Asset Management

Quarter Wise Inflows in Funds open to Subscription

	Q3 (2023-24)	Q4 (2023-24)	Q1 (2024-25)	Q2 (2024-25)	Q3 (2024-25)	Total Capital Commitment
Net Inflows	423.1	1,162.10	999	552.9	427.5	2,312.0

Note: Inflows In INR million



Are any new strategies or funds in the pipeline to capitalize on emerging market opportunities?

We are in the process of launching two new products under PMS & AIF (Category 3):

1. **Emkay SMID Cap Growth Engine PMS/Fund**
2. **Emkay Large Cap Focused PMS**

Emkay SMID Cap Growth Engine PMS/Fund

This product aims to achieve long-term capital appreciation by primarily investing in small and mid-cap securities. Investors should have an investment horizon of 2-3 years.

Benchmark for performance comparison: S&P BSE 500 TRI

Emkay Large Cap Focused PMS

This product seeks long-term capital appreciation by primarily investing in large-cap securities. The fund will allocate at least 80% of its total assets in equities and related securities of large-cap companies.

Benchmark for performance comparison: Nifty 50 TRI

Asset Management



How has the initiative to establish a presence in the Middle East progressed?

We achieved a significant milestone by obtaining the branch license on December 31, 2024. Further updates on the progress and engagement with offshore investors will be shared in the next quarter.

Wealth Management



What has been the growth in Wealth AUM and revenues this quarter, and how do you plan to sustain this momentum in the future?

During the review period, our overall Wealth AUM grew by 51% YoY, reaching INR 1,95,247 million. To sustain this momentum, we remain focused on deepening client relationships, offering strategic portfolio diversification, and expanding our geographical footprint into new markets. Additionally, we are strengthening our cross-selling and upselling initiatives while continuously upgrading our sales strategies to align with the evolving market landscape.



What initiatives are being undertaken to further strengthen synergies between the Private Clients segment and Wealth Management services?

The Private Clients Group primarily focuses on Direct Equities and Broking, while the Wealth Management division provides a broader range of investment solutions, including Mutual Funds, PMS, AIFs, Unlisted Securities, MLDs, and Bonds, with a key emphasis on comprehensive wealth planning. Previously, both verticals operated independently; however, since last quarter, we have been actively working on fostering greater collaboration between the two teams. This integration aims to offer clients a seamless, holistic investment experience, ensuring they have access to a full suite of financial products and advisory services under one roof.

Wealth Management



What factors contributed to the revenue performance of the non-institutional equities business in Q3, and how has market volatility impacted trading volumes?

The revenue performance of the non-institutional equities business in Q3 was significantly affected by high intraday volatility, which led to low or negative returns, reducing participation from trading clients. Market volatility also impacted trading volumes, with options volumes dropping by more than 50% and no notable recovery observed in futures and cash segments. Additionally, investors adopted a wait-and-watch approach due to seemingly expensive valuations, further contributing to subdued activity levels. On a positive note, commodity trading volumes have shown early signs of growth, as clients begin to explore this segment to diversify their trading strategies.



How have the newly established offices in Tier-2 towns performed, and are there plans for further expansion into other regions?

We currently operate 19 branches across India. Recently, we expanded into Nagpur and Baroda to strengthen our presence in Tier-2 markets. Nagpur has shown strong traction, with AUM growing over 100% in the past 12 months. Baroda, being a more recent addition, is still in its early stages, but we expect it to follow a similar growth trajectory. Looking ahead, we plan to further expand into Jaipur, Chandigarh, and Coimbatore, tapping into new opportunities in these high-potential regions.

Warm Regards,

Krishna Kumar Karwa & Prakash Kacholia
Managing Directors



BUSINESS PERFORMANCE

KEY PERFORMANCE INDICATORS

EMKAY: Q3 FY25 AT A GLANCE (Rs. million)

2,07,929

Total Assets

^ 51%YoY

1,95,247

Wealth Assets

^ 51 %YoY

12,683

PMS & AIF AUM

^ 48%YoY

839

Revenue

^ 1% YoY

113

PBT

▼ 23% YoY

86

PAT

▼ 30% YoY

515

Total Employees

As on 31.12.2024

41,000

Client Base

As on 31.12.2024

7,885

Market Cap

As on 31.12.2024

2,893

Networth

As on 31.12.2024

24%

ROE (Annualized)

As on 31.12.2024

1,79,012

ESOPs Exercised

In Q3 FY25

KEY HIGHLIGHTS OF Q3 FY25

Capital Markets

- 1 block worth INR 1,780 million executed
- 3 ECM transactions worth INR 42,920.55 million executed
- New Mandates Secured: 3 QIPs, 1 IPO and 2 Private Equity
- Initiated coverage on 23 companies

Technology Updates

- Upgrade the accounting system to the latest version with the new features.
- Implemented new trading platforms within exchange colocation and proximity datacenter
- Migration of critical/EOL LINUX & WINDOWS servers to latest supported versions

ECM Deals

- Bank of Maharashtra – Merchant Banker to the QIP for INR 35,000 mn
- Senco Gold Limited – Merchant Banker to the QIP for INR 4,590 mn
- Epigral Limited – Merchant Banker to the QIP for INR 3,330.55 mn

Wealth Management

- **Advisory** revenue grew by **88%** YoY to **INR 47 million**
- **Transactional** revenue degrew by **19%** YoY to **INR 139 million**
- Wealth **AUMs** grew **51% YoY** to **INR 1,95,247 million**

ESOP

Significant ESOP Exercise: **1,79,012 ESOPs** aggregating to 0.72% of the outstanding equity of the company were exercised by employees in Q3, demonstrating their strong belief in the company's **long-term growth and value-creation capabilities**.

Asset Management

- 5 out of 6 strategies outperformed the benchmark
- AUM and advisory assets crossed **INR 15,700 million**
- **PMS+AIF AUMs** grew **48% YoY** to **INR 12,683 million**

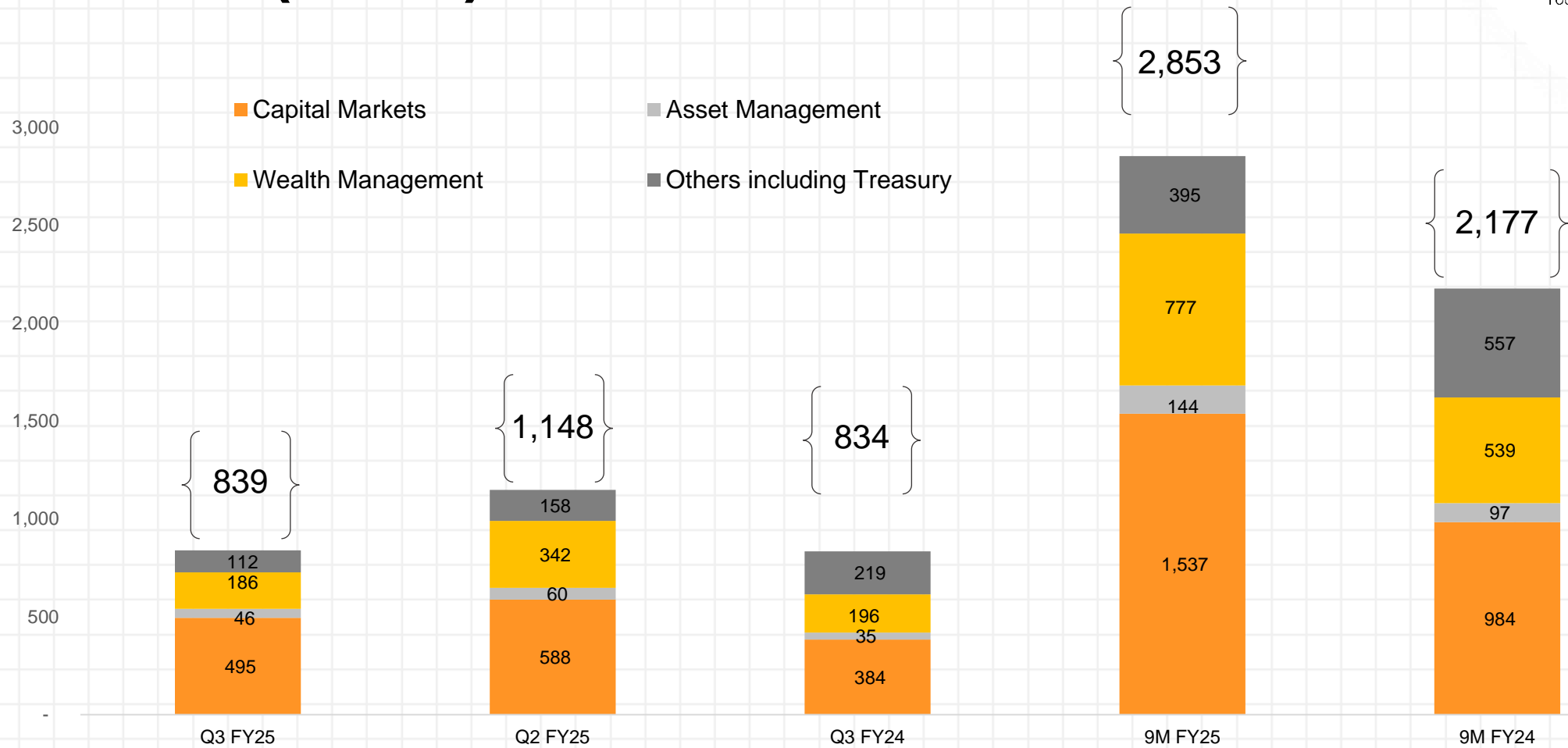
Consolidated Revenues

grew by 1% YoY to INR 839 mn

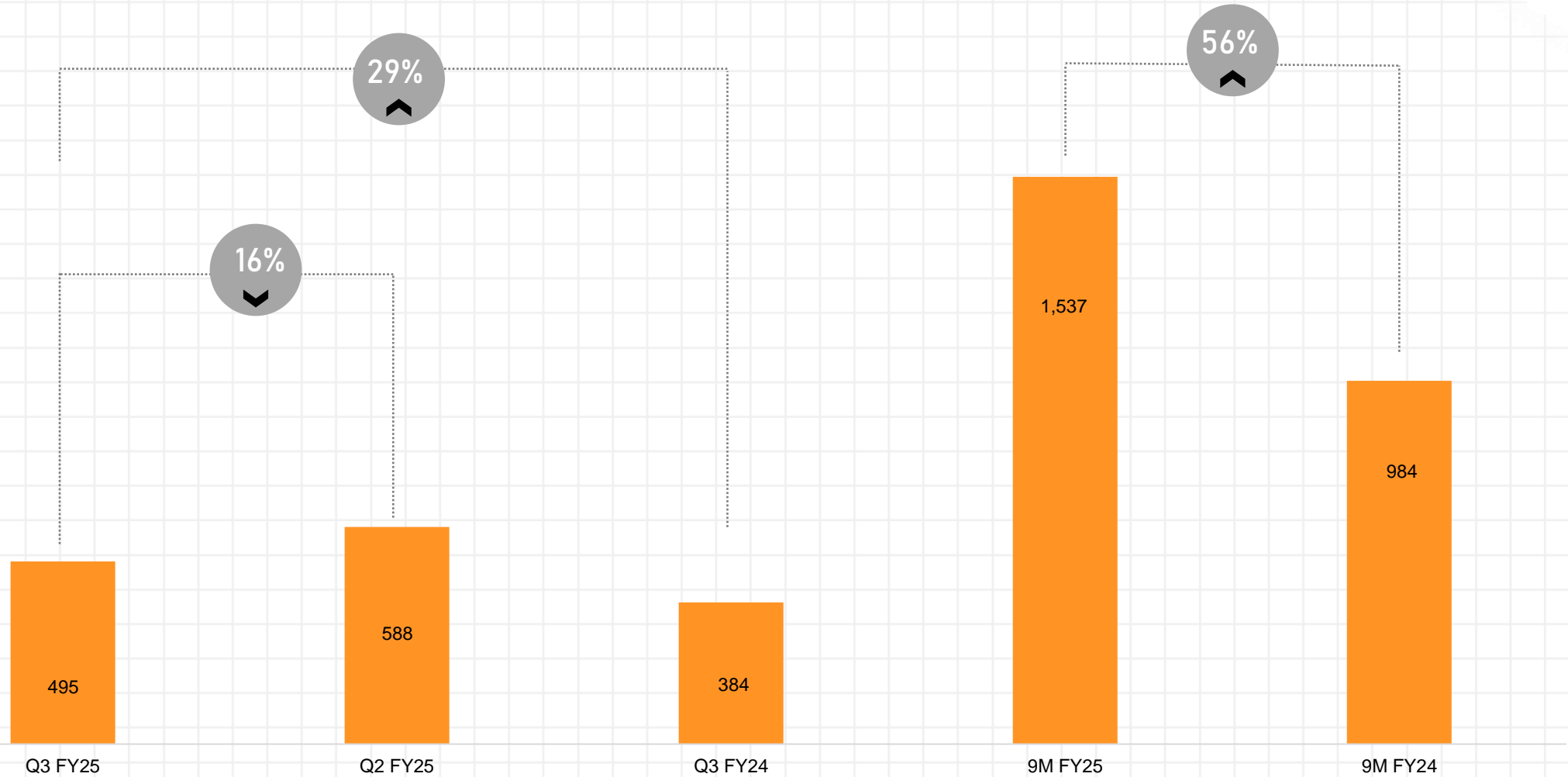
Consolidated PAT

degrew by 30% YoY to INR 86 mn

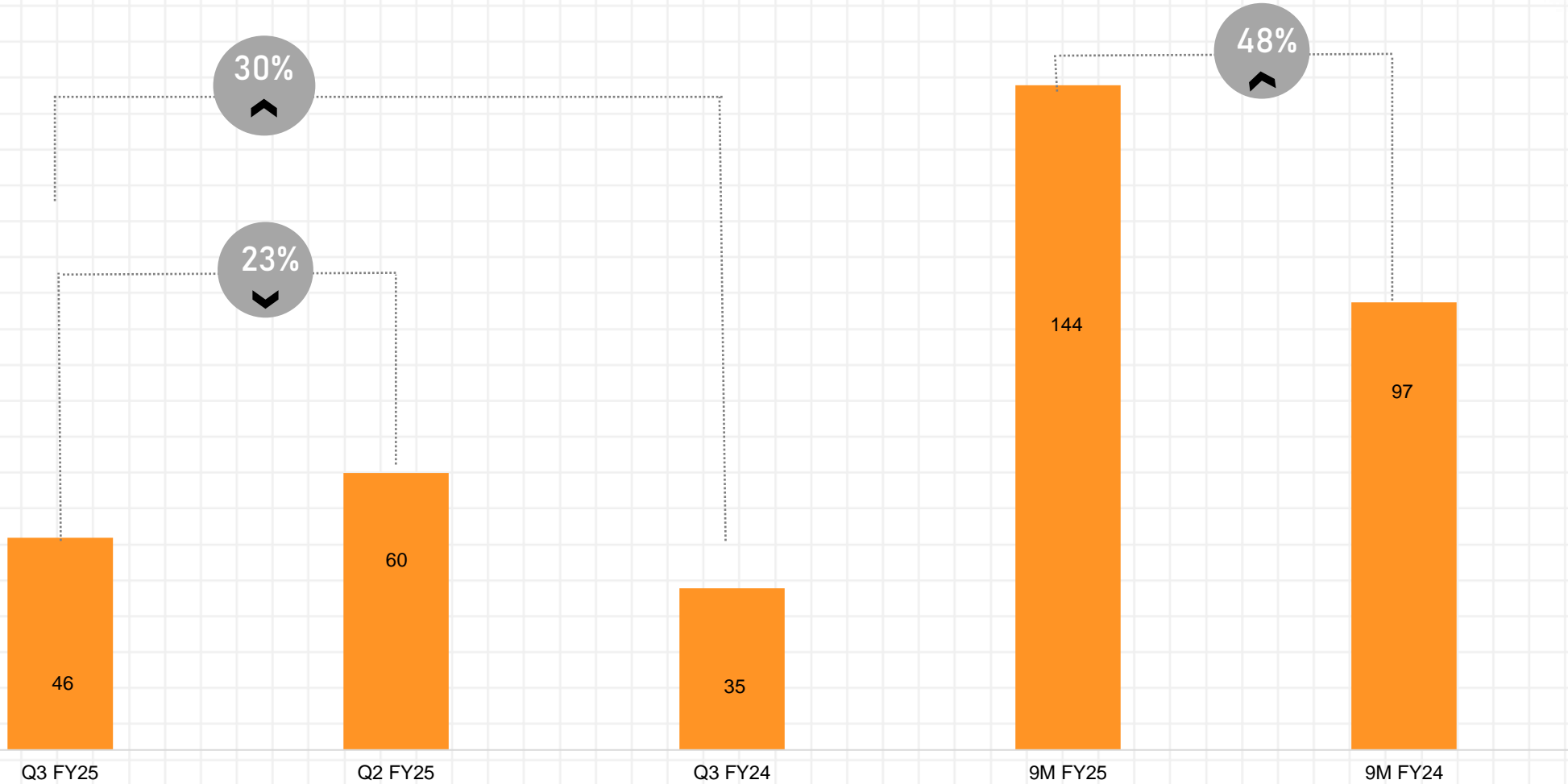
REVENUE MIX (Rs. Mn)



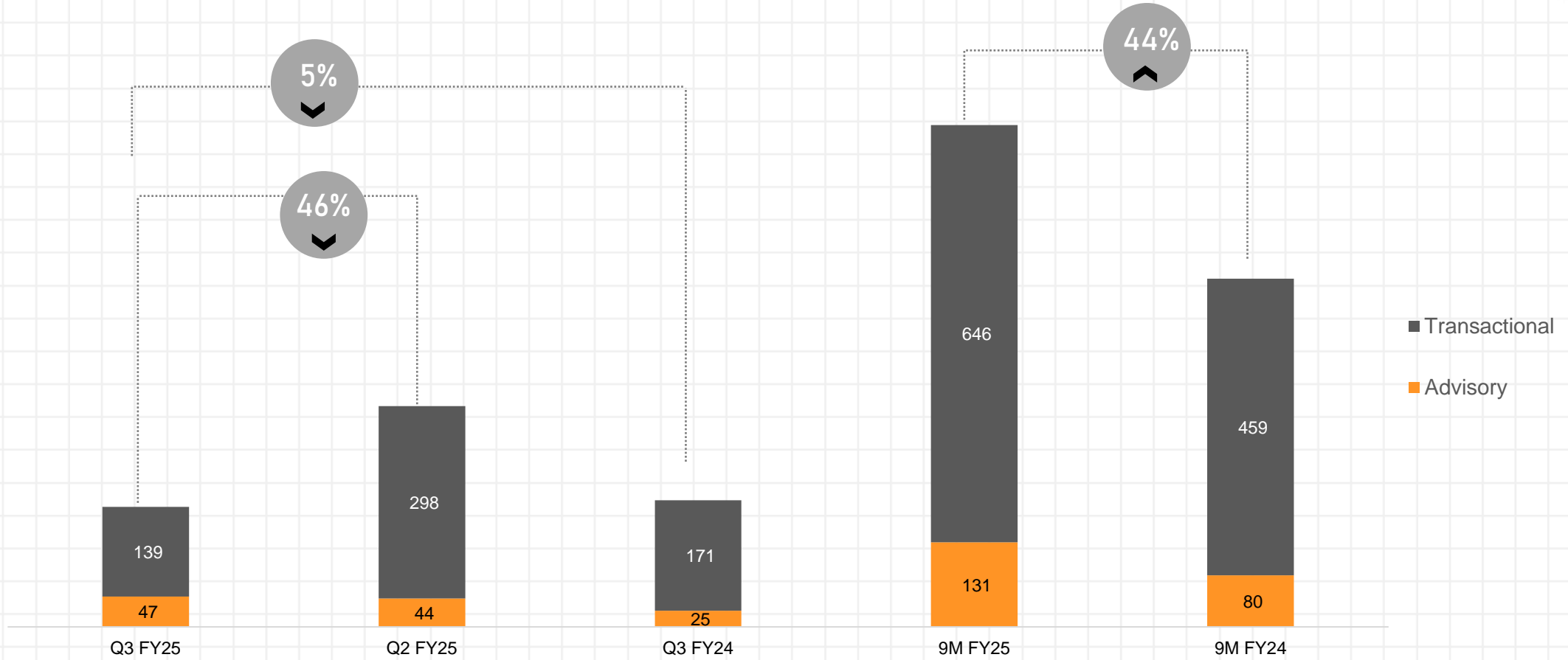
CAPITAL MARKET REVENUE (Rs. Mn)



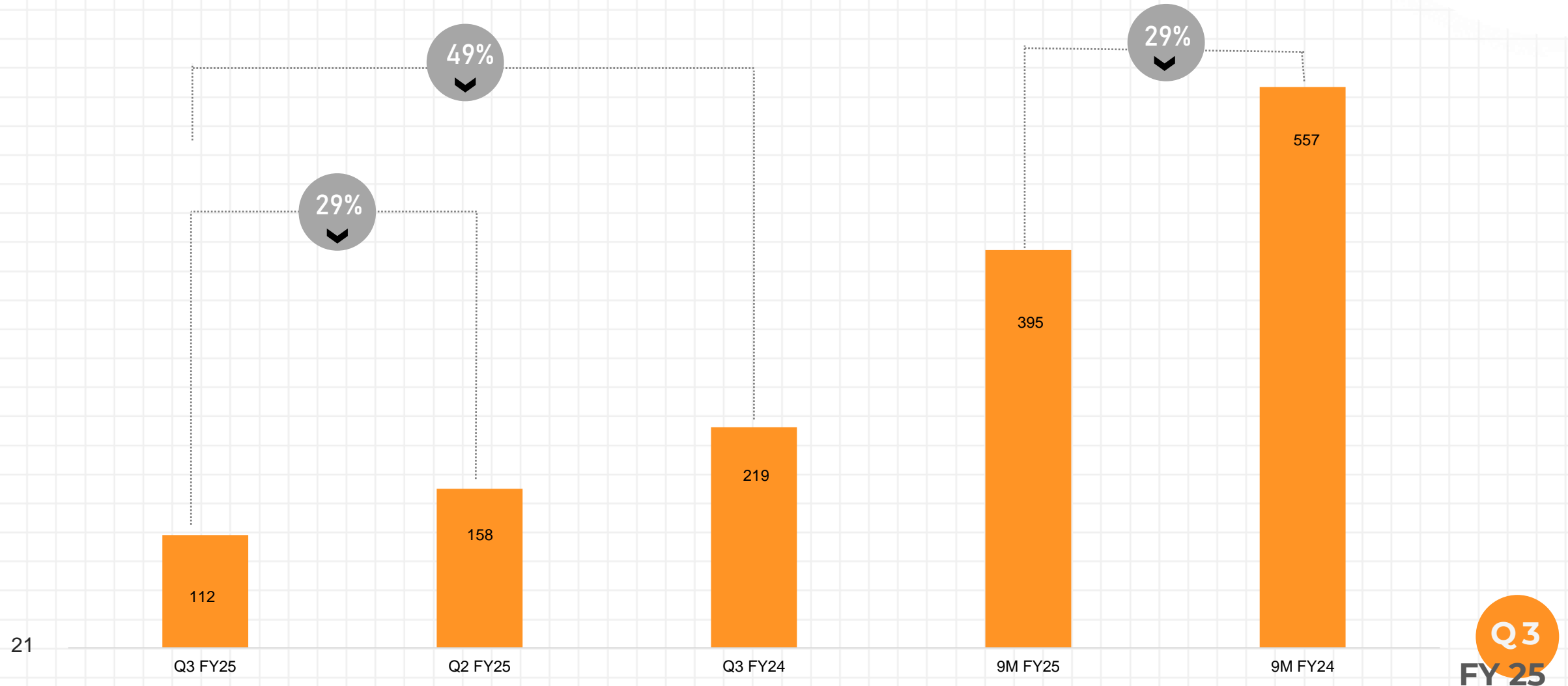
ASSET MANAGEMENT REVENUE (Rs. Mn)



WEALTH MANAGEMENT REVENUE (Rs. Mn)

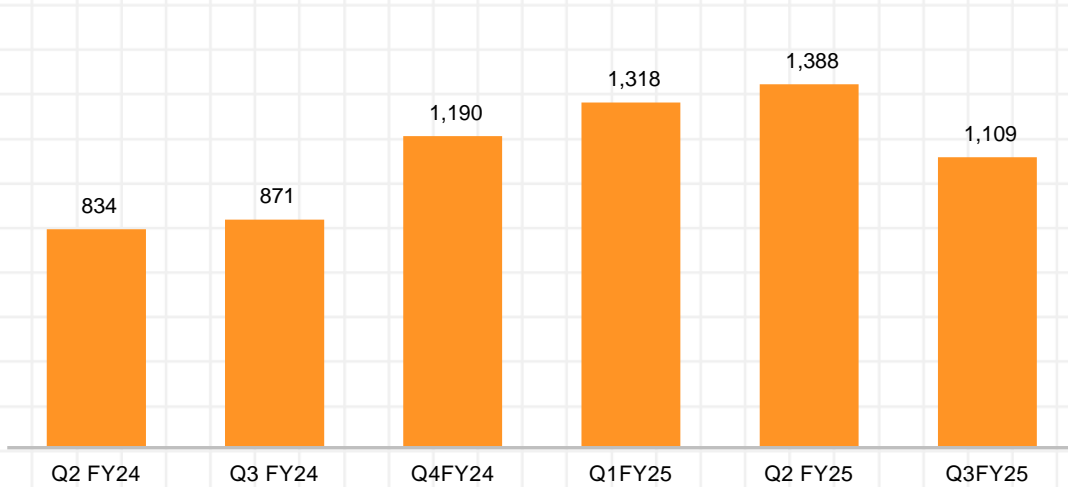


OTHERS INCLUDING TREASURY REVENUE (Rs. Mn)

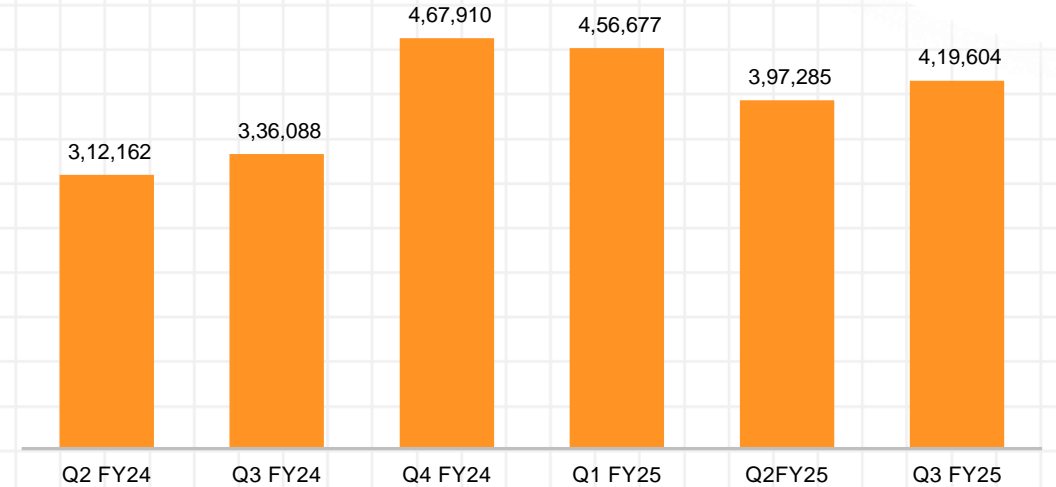


AVERAGE DAILY TURNOVER

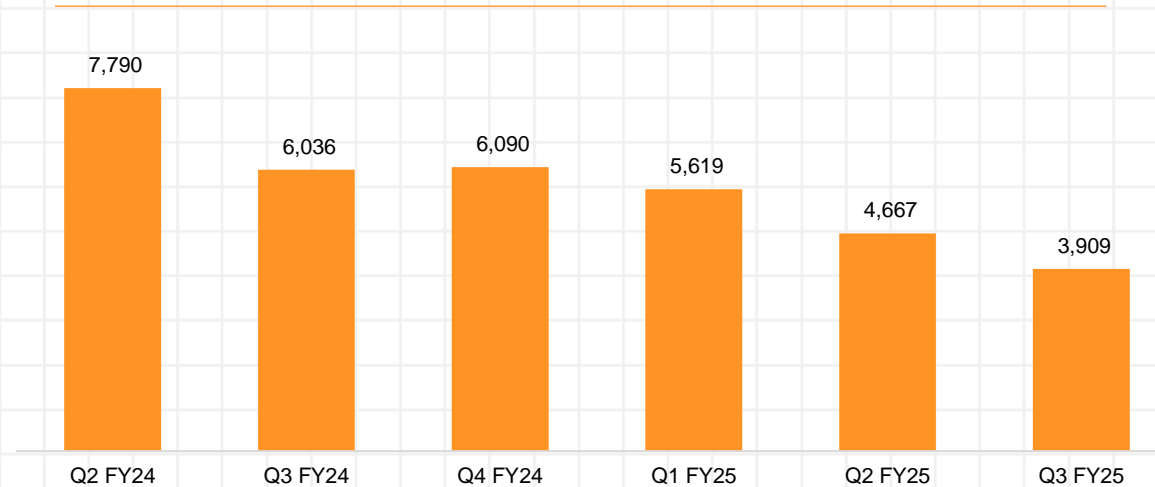
Equity Market ADTO (in bn)



Derivative Market ADTO (in bn)

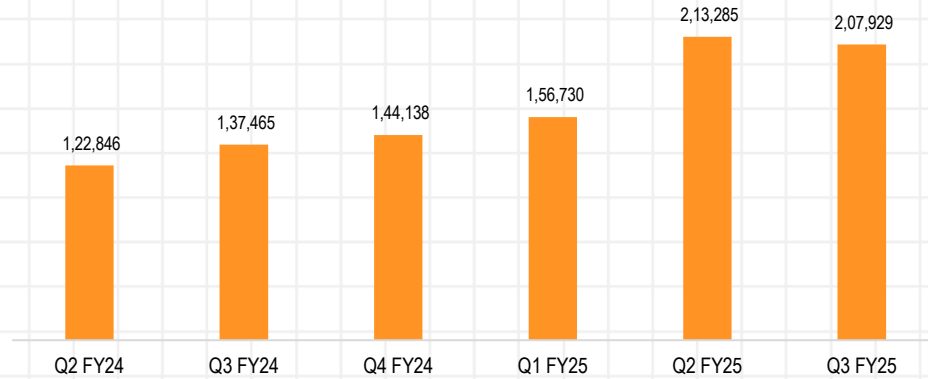


Emkay's ADTO (in bn)

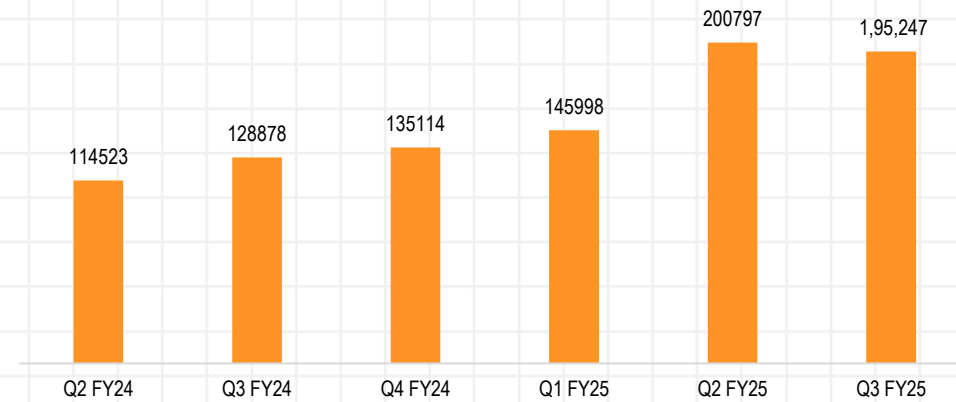


CUSTOMER ASSETS (Rs. Mn)

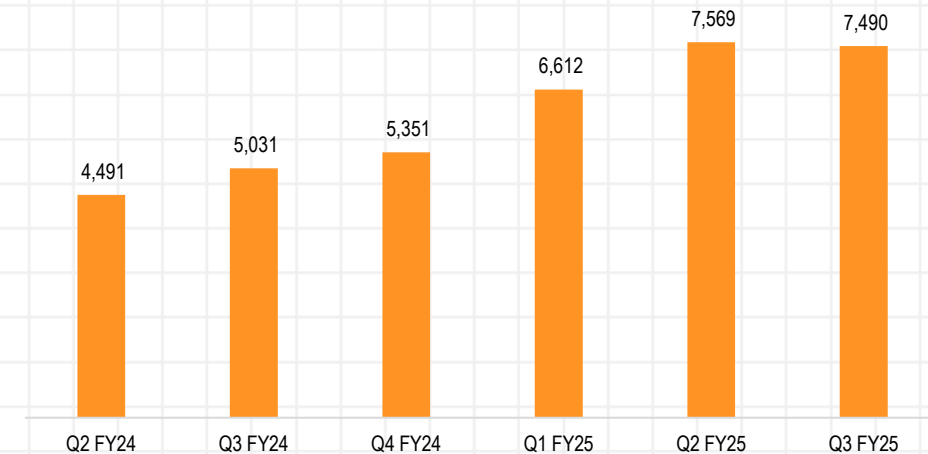
Total Assets



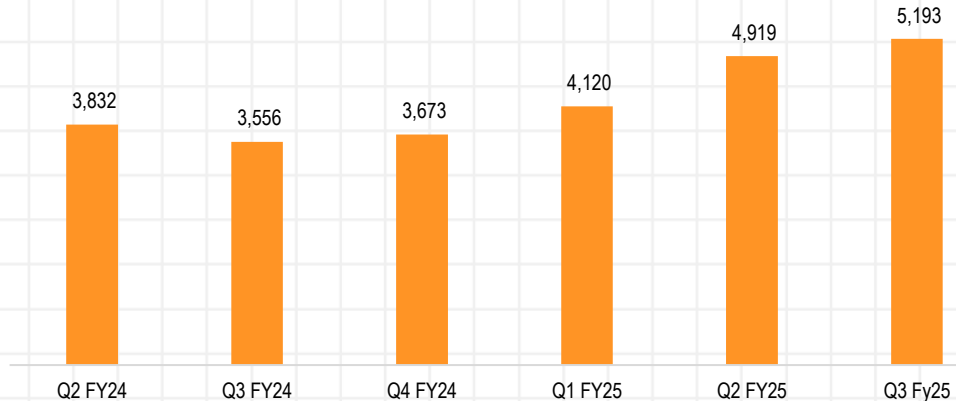
Wealth Assets



PMS AUM



AIF AUM





FINANCIAL PERFORMANCE

KEY HIGHLIGHTS : CONSOLIDATED FINANCIALS

	Revenues (Rs. in mn)	Profit Before Tax (Rs. in mn)	Profit After Tax (Rs. in mn)	EPS (Rs.)	BVPS (Rs.)
Q3 FY25	839	113	86	3.45	116
	▼ 27%	▼ 64%	▼ 67%	▼ 67%	▲ 3%
Q2 FY25	1,148	314	259	10.49	112
Q3 FY25	839	113	86	3.45	116
	▲ 1%	▼ 23%	▼ 30%	▼ 31%	▲ 24%
Q3 FY24	834	147	122	4.97	93
9M FY25	2,853	598	483	19.48	116
	▲ 31%	▲ 114%	▲ 121%	▲ 119%	▲ 24%
9M FY24	2,177	279	219	8.88	93

CONSOLIDATED PROFIT & LOSS STATEMENT (Rs. Mn)

Particulars (Rs. in mn)	Q3FY25	Q2 FY25	QoQ% Change	Q3 FY24	YoY % Change	9M FY25	9M FY24	% Change
Revenue								
Income from Operations	765	1,080	(29)	752	2	2,636	1,944	36
Other Income	74	68	9	82	(10)	217	233	(7)
Total Revenue	839	1,148	(27)	834	1	2,853	2,177	31
Expenses								
Employees Benefit Expense	385	487	(21)	373	3	1,282	1,036	24
Finance Costs	18	17	6	13	38	53	33	61
Depreciation & Amortisation Expense	29	28	4	27	7	83	67	24
Other Expenses	294	302	(3)	274	7	837	762	10
Total Expenses	726	834	(13)	687	6	2,255	1,898	19
Profit Before Tax	113	314	(64)	147	(23)	598	279	114
Exceptional Items	-	-	-	-	-	-	-	-
Tax Expense	25	56	(55)	24	4	113	61	85
Profit After Tax	88	258	(66)	123	(28)	485	218	122

CONSOLIDATED PROFIT & LOSS STATEMENT (Rs. Mn)

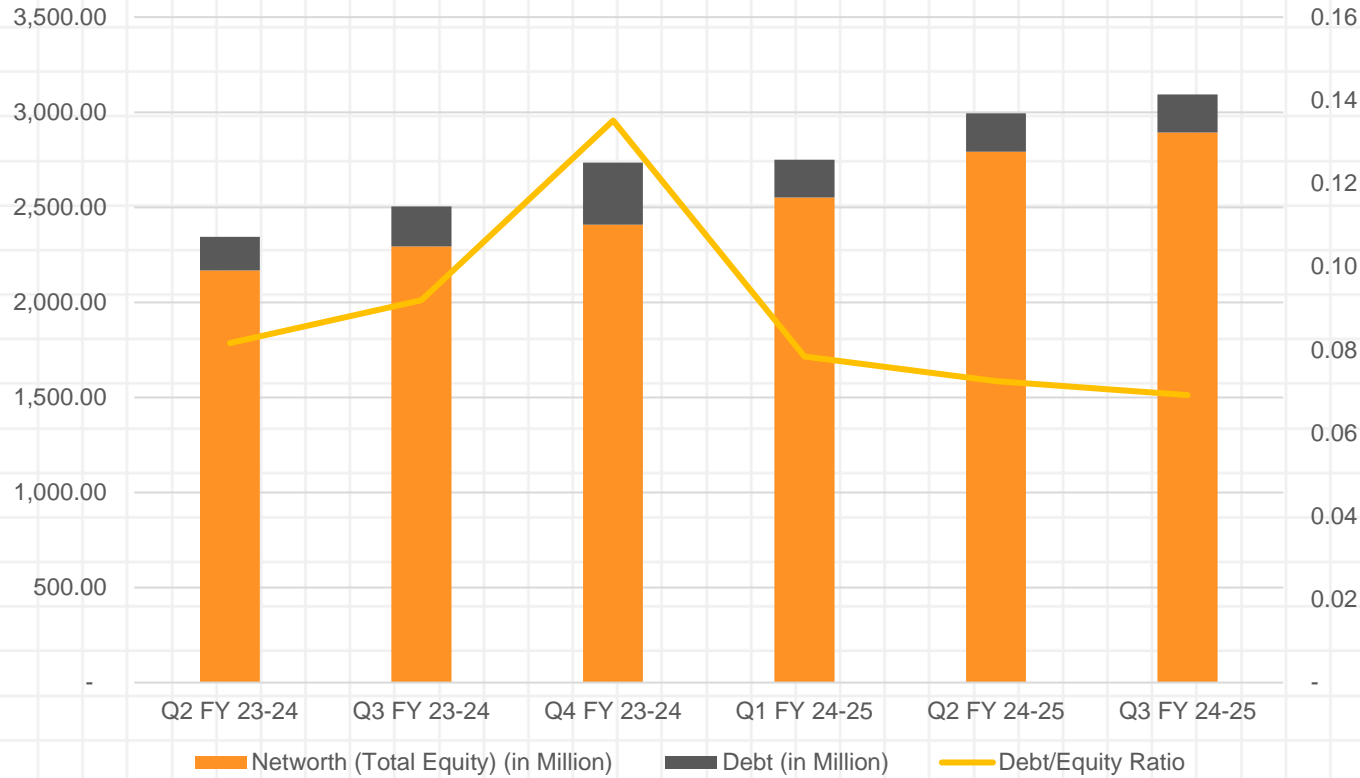
Particulars (Rs. in mn)	Q3FY25	Q2 FY25	QoQ% Change	Q3 FY24	YoY % Change	9M FY25	9M FY24	% Change
Share of Profit/(Loss) of Associates	(2)	1	(300)	(1)	100	(2)	1	(300)
Profit for the Period/Year	86	259	(67)	122	(30)	483	219	121
Other Comprehensive Income	(1)	(2)	(50)	-	(100)	(8)	(10)	(20)
Total Comprehensive Income	85	257	(67)	122	(30)	475	209	127

SEGMENT PERFORMANCE (Rs. Mn)

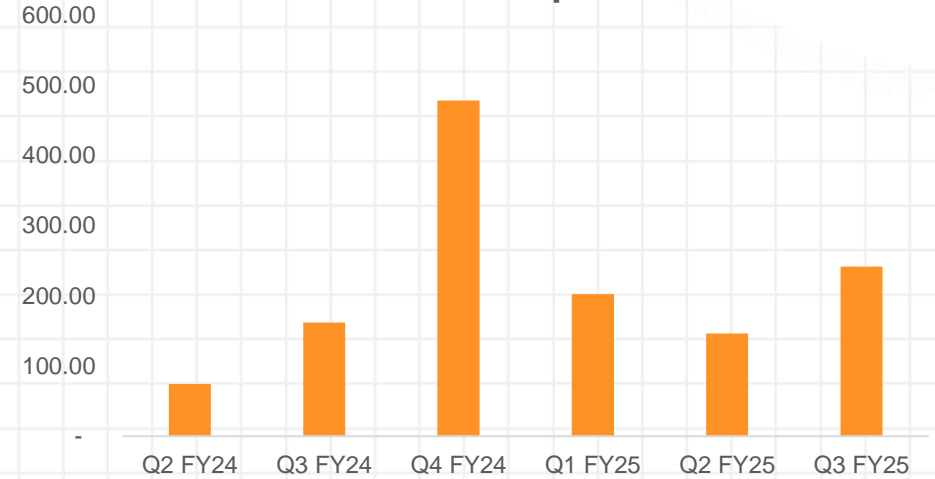
	Q3FY25	Q2 FY25	QoQ% Change	Q3 FY24	YoY % Change	9M FY25	9M FY24	% Change
Segment Revenue								
Advisory, Transactional & Other Related Activities	829	1,128	(27)	820	1	2,782	2,130	31
Financing and Investment Activities	10	20	(50)	14	(29)	71	47	51
Income from Operations	839	1,148	(27)	834	1	2,853	2,177	31
Segment Profit Before Tax								
Advisory, Transactional & Other Related Activities	89	295	(70)	137	(35)	534	245	118
Financing and Investment Activities	24	19	26	10	140	64	34	88
Profit Before Tax from Each Segment	113	314	(64)	147	(23)	598	279	114

CONSOLIDATED BALANCE SHEET (Rs. Mn)

Networth and Leverage



Cash and Cash Equivalents



Short-Term Rating of Non-Convertible Debenture Programme

Rating Agency	FY 24-25
ICRA	BBB+

Short-Term Rating of Non-Fund-Based Credit Limit

Rating Agency	FY 24-25
ICRA	A2+



CAPITAL MARKETS

KEY HIGHLIGHTS

3 ECM transactions
worth **INR 42,920.55 million**
executed

New Mandates Secured:
3 QIPs, 1 IPO, 2 Private Equity

Projected revenue from mandates
secured, with delivery expected
over the next 24 months
~ **INR 1,000 million**

10
Roadshows

9
Group calls/Events
/Conferences

46
Corporate &
Expert Client Calls

11
Industry
Reports Released

1 block
worth **INR. 1,780**
million executed

23
Coverages
Initiated

ECM TRANSACTIONS IN Q3

01

Merchant Banker to
the QIP for
INR 35000 mn



02

Merchant Banker to
the QIP for
INR 4590 mn



03

Merchant Banker to
the QIP for
INR 3330.55 mn

EPIGRAL

CONFERENCES IN Q3

Emkay Institutional Equities organized
Emerging Midcap Conference 2024
 which was attended by

Companies

27 Total	590 Group Meetings
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36 One-on-One

Clients

124 Total Funds

252 Individuals

Institutional Clients

71 Funds	165 Individuals
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21 Director/CIO/ HOE/HoR

48 Fund Manager

96 Analyst

Private Wealth Management

53 Funds	87 Individuals
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21 Founder/MD/Partner/ CIO/HoE/HoR

10 Fund Manager

64 Analyst



CONFERENCES IN Q3

Emkay Institutional Equities organized
FinShift Conference 2024
which was attended by

11
Companies

88
Funds

114
Individuals

14
Fund
Managers

81
Analysts

14
Fund
Managers

19
Director/MD/
CEO/Partner/
CIO/HoE



Corporate Participants

- **Paytechs** - Paytm, PhonePe
- **Lendtechs** - mPokket, Simpl, Kreditbee
- **Cardtech** - RBL
- **Neo-Collections** - Creditas Solutions
- **Digi Broking** - Zerodha
- **Payment Banks** - Airtel, Finopayment
- **Neo-Banks** - Jupiter

CONFERENCES IN Q3



SOME INDUSTRY REPORTS RELEASED

Emkay
Your success is our success

BFSI - Banks

Day 2: Tech-led innovations and diversification are key to sustainability

Sector Report
SECTOR REPORT
November 29, 2024
NIFTY 50: 23,914

We organized Season 5.0 of FinShare - Investor Conference with the broader theme of Navigating new routes for Fintech/Digi-bank. On Day 2, we hosted leading digi-broker Zerodha, Neobank Jupiter Money, Neo-collector Creditas Solutions, and Cards player RBI Bank Cards. The common strategy across these players is to extensively use tech-based innovations and diversify revenue streams to sustain in the hyper-competitive market as well as to withstand regulatory interventions. Day-2 KTAs:

AI could revolutionize advisory services, cards business, and debt collections. For the participants, AI is emerging as a game-changing tool in broking, advisory services, lending (including Cards), and debt collections, as it enhances efficiency, accuracy, and personalization. Using AI-driven analytics and algorithms, firms offer hyper-personalized advice, based on individual client preferences, risk tolerance, and financial goals for building portfolios. Clients may still prefer human advisors for high-stake decisions, but AI can certainly assist early stage interaction and filter customers for intervention by human advisors. Machine Learning and AI help lenders in their credit underwriting, delinquency, and customer life-cycle management, leading to far better credit outcomes at relatively lower cost and higher scale. Within the card industry, AI has multiple use cases, but, more importantly, can recommend a credit card that suits the customer profile and thus improve activation, usage, and credit behavior. However, most players believe that traditional banks/NBFCs are still not investing much in AI tech - a gap that can possibly be plugged by partnerships with fintechs.

Regulatory hitch for equity brokers; diversifying revenue streams to limit impact on revenues/profitability. SEBI's recent regulatory changes, including weekly expiry contracts in F&O, increased contract size, upfront premium collection, and so on, are likely to impact brokers with higher share of F&O broking and hence a higher revenue pie, particularly the top 4-5 players. Zerodha believes the potential revenue impact could be in the 10-30% range. In response, a few large brokers have introduced delivery brokerage of minimum Rs2; and maximum Rs20; Zerodha will decide whether it will introduce brokerage on delivery, after evaluating the total impact of the regulations after 6-8 months. Additionally, it believes the customer float with brokers could see a further hit if SEBI mandates usage of UPI, similar to ASBA for equity trades. Per its strategy to strengthen business sustainability, Zerodha has been diversifying into new business lines, including acquiring an AMC license (mainly passive investment approach), with current AUM of Rs30cr), potentially looking at the advisory, lending (via Zerodha Capital, offering LAS/LAMF - AUM of Rs3cr), and insurance (partnering with Dabir for insurance fields, as well as investing in fintech, health, climate, and carbon-related startups through its Reimaster initiative. From a long-term perspective, Zerodha remains open to partnership with a bank.

Jupiter Money: Neo-bank looking to expand into new realms of lending, payments, and wealthtech. Jupiter, a neo-bank, initially focused on the liability side (offering Saving deposits of partner banks), has now expanded its product bouquet on the asset side, offering co-branded credit cards of Federal Bank (Via/CoB Bank (RuPay), and runs the NBFC business with AUM of Rs2.5-3bn. Also, the company recently secured a PPI license, which should complement its payment products. Further, it offers a no-panchayati SIP product under its wealthtech offering. Additionally, Jupiter has onboarded 3m+ customers in saving accounts (SAs) on cumulative basis, with product per customer (PPC) at 2+. On the cards front, Jupiter targets onboarding a new large bank card partner, with its diversified revenue stream, it is looking to reach 1.5-2x its FY24 revenue and become profitable in coming few years. Notably, Brazil-based Nubank, one of the largest digital financial services platforms globally, has invested in Jupiter, which itself aspires for a digital banking license (ie when the regulator launches the license).

Creditas Solutions: Digital Collection has become imperative in a digit-led world. Creditas provides digital debt collection services, predominantly to banks, aided by ML/AI tools, and is gaining more acceptance amid the rising share of digital loans. The company believes that delinquencies are on the rise, while the current NPA cycle is different, to the extent that stress has been seen even in vintage cohorts of cards (pre-Covid). We believe this could possibly be due to overleveraging and economic stress. RBI's mandate to mark customers as NPA in case of default in one of the loans, too, has accentuated the NPA pool. Physical collection agencies are struggling to retain employees and availability of relatively more remunerative and less taxing jobs like food delivery - a concern even highlighted by NPLs.

RBI Cards: Transition-induced stress to peak out soon. The head of RBI Bank Cards indicated that stress case of RBI, has more to do with transition of the collection set-up from Bajaj to RBI, where a number of collection agencies, as well as protocols are different. Thus, it expects the stress for RBI to peak out soon. For the industry, the stress is predominantly in low-ticket and VFC customers being on-boarded by several players, including neobank banks. This should ease, in the next 2-3 quarters. With cards starting from Bajaj on the decline, the bank is turning up organic acquirals as well as other partnerships. The bank is also enhancing its commercial cards portfolio, which remains well below that of some peers, and could provide a boost to its cards business.

Anand Datta
anand.datta@emkayglobal.com
+91 22 6624 2480

Nikhil Vaishnav
nikhil.vaishnav@emkayglobal.com

CHARTING THE INDIAN JOB GROWTH STORY



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Emkay
Your success is our success

Metals & Mining

Aluminum - Metal with mettle; Nalco top pick

Sector Report
SECTOR REPORT
October 12, 2024
NIFTY 50: 24,954

We initiate coverage of the non-ferrous space with Hindalco (REDUCE), Vedanta (BUY), and Nalco (BUY). Our investment case is predicated on our favorable view on the supply/demand dynamics of aluminum, with the expectation that prices could average at US\$2,700/t in 2026E which is higher than the ~US\$2,400/t expected in 2024E, and persistent efforts by players to reduce costs and improve value addition via backward and forward integration. We believe drivers are in place for prices to grind higher, with a firmly balanced aluminum market to begin with which is likely to see deficit of 500k in 2025E, China's 'New Three' of EVs, batteries, and solar sectors growing rapidly, a turn in the interest rate cycle, and more effective stimulus measures with a strong indication that more could come in the near term from China. Our picking order is Nalco > Vedanta > Hindalco.

Hindalco - Better to travel than to arrive
We have a neutral view on Hindalco and initiate coverage on the stock with REDUCE with downside potential of 13%, using blended valuation (DCF and EV/EBITDA). We think the stock is pricing in all the positives, part of which was the optimism that got priced in ahead of the planned Novelis IPO, which was later called off. We are not convinced about playing the Bay Minette capex cycle. Also, the global copper concentrate market remains supply-constrained which is likely to translate into much lower TC/CRs for 2025. Our REDUCE recommendation on Hindalco partially hedges our wager on aluminum prices, should it not play out as expected. We therefore see a modest incremental downside, and believe that the Hindalco story has evolved to the 'arrival' stage, with indiating earnings momentum and a lack of sufficient near-term levers to play 'moderate the travel' path on a 12-month view.

Vedanta - Demerger, Delivery, Dividends, Deleveraging
We initiate coverage on Vedanta (VED) with BUY and blended TP (DCF and EV/EBITDA) of Rs600/share, implying upside potential of 21% to the stock price and dividend yield of 9%, which takes the expected total return to 30%. Our investment case on VED is premised on 4Ds: **1) Demerger** - The group is in the final stages of a demerger process, which would split the group into 6 pure-play verticals. Our experience suggests that pure-plays trade at a premium to diversified miners. **2) (Project) Delivery** - Vedanta is moving toward project completions and bringing them onstream in the next 12-18 months. **3) Dividends** - VED has been a significant value creator for investors, delivering total shareholder return of 18.5% p.a. for the last 10 years. **4) Deleveraging** - Should VED deliver well on the first 2 Ds, balance sheet concerns should ease at the company level as well as parent VKL.

Nalco - Alumina refinery capacity expansion to bolster fundamentals
We initiate coverage on Nalco with a BUY recommendation and blended TP (DCF and EV/EBITDA) of Rs275/share, implying expected total return of 26%. Our investment case on Nalco is premised on three distinct aspects that would bolster business fundamentals, and translate into solid earnings momentum over the next 2-3 years, with doubling of EBITDA by FY27E. We believe the market is under-appreciating the earnings potential and project delivery which we argue could be partially due to a general skepticism about PSU. However, we think that times have changed, as is evident in the re-rating of PSU equities, and that market sentiment on Nalco would start turning positive as the company delivers on profitability. Valuations appear undemanding at 7.7x FY26E EV/EBITDA. Nalco is our top pick in the Metals & Mining sector.

Amit Lahoti
amit.lahoti@emkayglobal.com
+91 22 6612 1284

Ashishesh Kumar

IN SEARCH OF A SUSTAINABLE TURNAROUND



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Emkay
Your success is our success

General Insurance

Weak case for Motor TP tariff hike in FY26

Sector Report
SECTOR REPORT
October 10, 2024
NIFTY 50: 24,998

Following significant underwriting losses and unsustainable loss ratios in the 2007-12 period, Motor Third Party Liability (the only tariff business segment) saw sustained steep annual tariff hikes during FY23-24 leading to tariff across vehicle categories increasing ~2-3x. This was followed by very modest tariff increases over FY19-25, with most of the years seeing no tariff hike and tariff year period. Despite these muted tariff hikes held up reasonably well for the serving triangles of FY23 and FY24, we are being reasonably good for the industry or FY23 and FY24 at 88.2% and 91.3%, and FY24 was ~82%. Adjusting for the claims cost), the loss ratios in Motor TP case for Motor TP Tariff hike in FY26, will be general insurers with SELL rating IC.

despite muted/no hike in last 7 years for TP tariffs across most vehicle categories a last 7 years, granting minimal-to-no tariff 25. Despite the muted price hike and rising -level Net Claims Ratio in Motor TP remained 16 and FY23 around 82%. Even the ultimate Y24, respectively. The reasonable loss ratio average claim payouts can be attributed to his tariffs to reasonable levels: 2. Improving xads likely reducing road accident frequency drive (effective Sep-18 onwards) mandating year TP policies for 2WA has likely improved rrbty reducing fraud.

26 is weak ng of claims, the normal claims provisions are inflated. To assess profitability when business (Motor TP) with the short tail need to make adjustments for investment loss or discount the claims provisions. Against 2024 that the adjusted Motor TP loss ratios Ultimate Loss Ratio were at 88% and 71%.

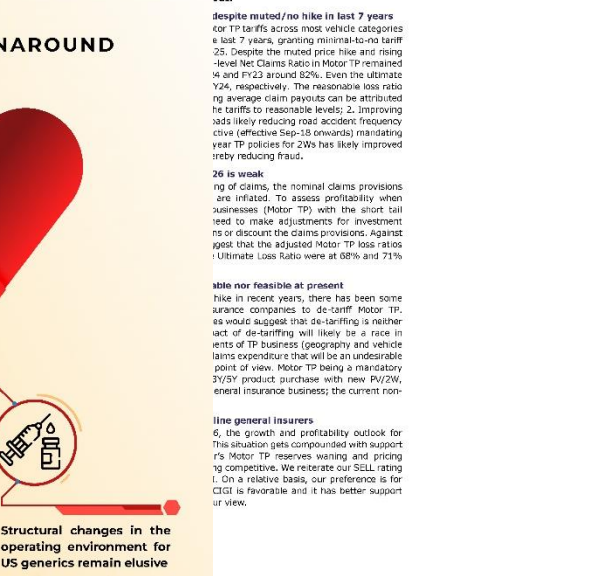
While not feasible at present hike in recent years, there has been some insurance companies to de-tariff Motor TP, as would suggest that de-tariffing is neither act of de-tariffing will likely be a race in rents of TP business (geography and vehicle lines expenditure that will be an undesirable point of view. Motor TP being a mandatory 3Y/3Y product purchase with new PVI/2W, general insurance business; the current non-

line general insurers 6, the growth and profitability outlook for This situation gets compounded with support r's Motor TP reserves waning and pricing 's competitive. We reiterate our SELL rating I. On a relative basis, our preference is for CICI is favorable and it has better support ur view.

Avinash Singh
avinash.singh@emkayglobal.com
+91 22 6612 1327

Mahesh Shah
mahesh.shah@emkayglobal.com
+91 22 6612 1218

STRUCTURAL CHANGES IN THE OPERATING ENVIRONMENT FOR US GENERICS REMAIN ELUSIVE



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ASSET MANAGEMENT

**PMS & AIF vertical
(Emkay Investment Managers Ltd.)**

KEY HIGHLIGHTS



New virtual branch office in **Dubai**

Total number of Strategies

6

Number of Strategies that outperformed Benchmark

5

Outperforming Strategies basis AUM (%)

76.7%

PERFORMANCE

Emkay Capital Builder	1M	3M	6M	1Y	2Y	3Y	5Y	Since Inception
Emkay Capital Builder - TWRR	-1.5	-1.6	9.4	26.2	27.6	21.1	20.9	17.6
BSE 500 TRI	-1.5	-7.8	-0.7	15.8	21.1	15.4	19.1	16.1
Nifty 50 TRI	-2.0	-8.2	-1.1	10.1	15.6	12.2	15.5	14.3

Note: Performance as on 31.12.2024

AUM of Capital Builder as on 31.12.2024 : INR 3,258 million

AIF VI – Golden Decade

AIF VI	1M	3M	6M	9M	1Y	Since Inception (CAGR)
AIF VI - Class A 1	-0.2	-4.6	12.4	22.1	26.6	28.4
NSE 500	-1.4	-7.7	-0.8	10.5	15.2	23.9

Note: The above returns are pre-tax, post fees

Performance as on 31.12.2024

Quarter Wise Inflows in Funds open to Subscription

	Q3 (2023-24)	Q4 (2023-24)	Q1 (2024-25)	Q2 (2024-25)	Q3 (2024-25)	Total Capital Commitment
Net Inflows	423.1	1,162.10	999	552.9	427.5	2,312.0

Note: Inflows In INR million



WEALTH MANAGEMENT

WEALTH MANAGEMENT

Advisory revenue grew by **88% YoY** to **INR 47 million**

Emkay Wealth undertakes regular and stringent **monitoring** of portfolios

The product delivery is through both **Advisory** as well as **Distribution** mechanisms

Monthly update on Mutual Fund holdings and portfolio reviews

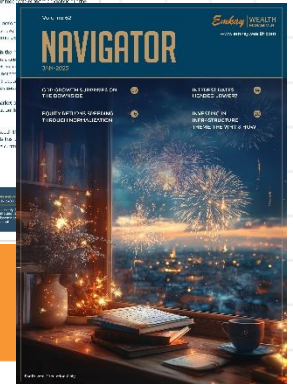
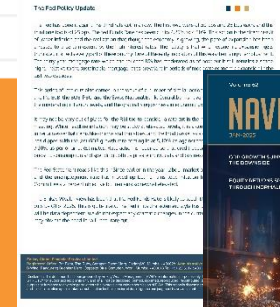
Wealth AUMs grew **51% YoY** to **INR 1,95,247 million** vis-à-vis **INR 1,28,878 million**

Transactional revenue degrew by **19% YoY** to **INR 139 million**

Research Reports

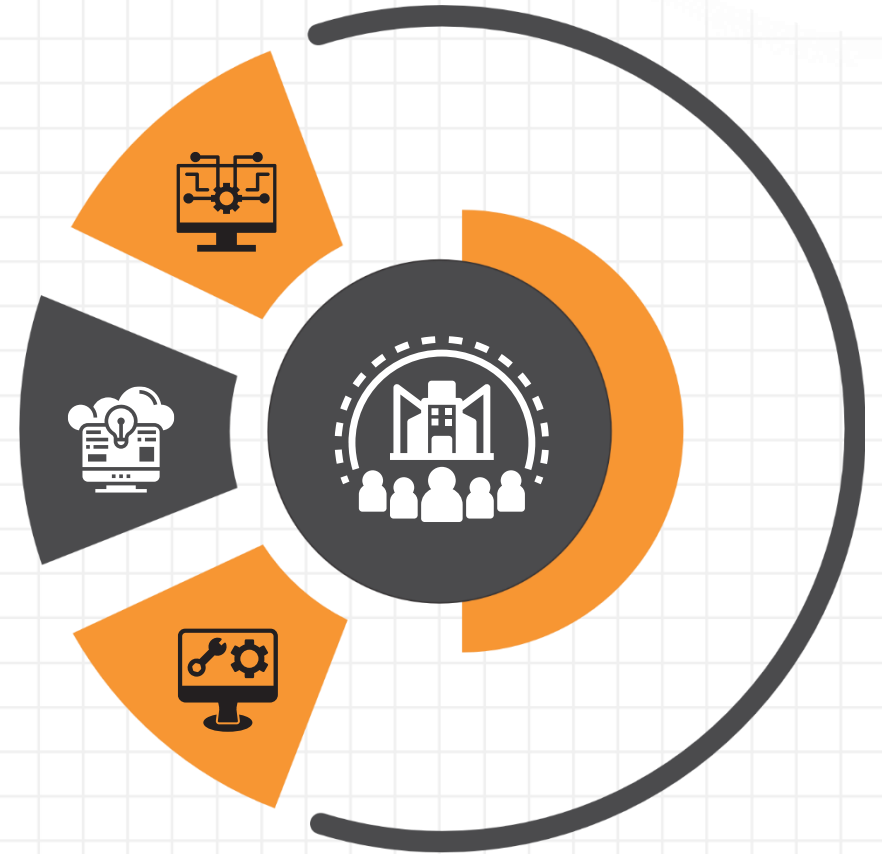
- **Navigator**: A monthly with a roundup on economy, markets, mutual funds, PMS, Estate & Succession Planning, et al.
- **FinSights**: Economy update
- **Product Updates**

The Emkay Wealth mobile app **Naavik** offers an intuitive and user-friendly interface to clients



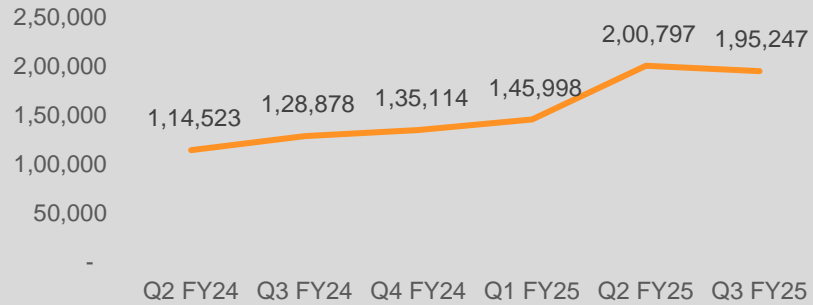
Achievements in Q3 FY 25

- Launched a comprehensive Clearing Offering tailored to serve all types of clients effectively.
- Accelerated progress on the Low Latency Offering project to ensure timely delivery.
- Conducted internal sales brainstorming sessions, resulting in an upgraded sales pitch to enhance Emkay's positioning for Low Latency client offerings.
- Strengthened partnerships with key local custodians and tax consultants to position Emkay as a "One-Stop Shop" or "Single Contact Point" for FPI-related consultations in the India market.
- Introduced a weekly report on India market developments, building client trust in Emkay's guidance and support capabilities.
- Enhanced visibility among regulators and clients through effective representation on regulatory matters.



KEY HIGHLIGHTS

AUM GROWTH (Rs. Mn)



Branches

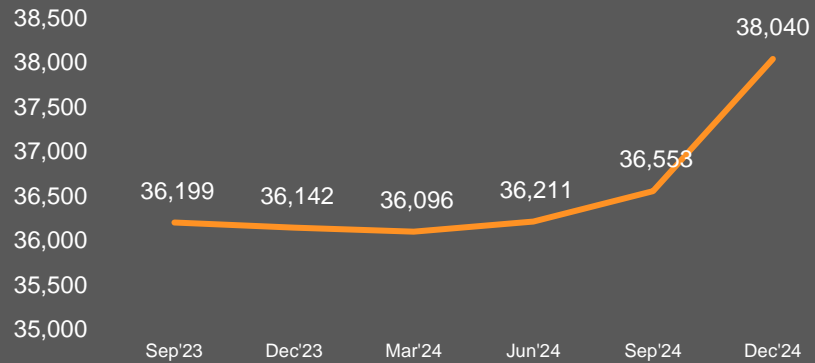


19

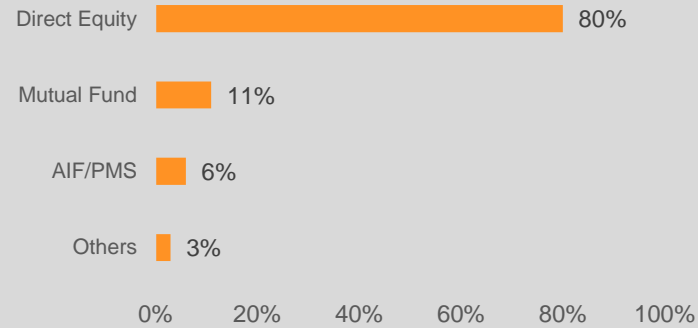
No. of Relationship Managers

60+

No. of Clients



Assets



Revenue (Q2 FY25)



INR
186 MN



TECHNOLOGY EDGE

Improving Business Efficiency

INFRASTRUCTURE & SECURITY ASPECTS

01

Robust Infrastructure

- Scaled up & fine-tuned hardware for reliability with continuous improvisations in performance
- Hyper-converge platform improvising the capacity with presence in Global Standard Data Centers across Mumbai.
- High-spec servers for a faster trading experience & and multi-stream broadcast
- Multiple trading platforms catering to various business requirements

03

Strong Network

- Ensuring high availability of systems with increased network bandwidth to accommodate the escalating data traffic
- Through strategic optimizations, we have reduced latency, ensuring faster response times and improved reliability across our network.
- Fortified Network Security with the implementation of advanced firewalls, intrusion detection systems, and regular security audits

02

Securing our Enterprise

- Security measures to fortify our infrastructure and safeguard our operations.
- Continuous monitoring of the platforms with the Security Operations Center as per regulatory guidelines
- Advanced Threat Detection Systems and Response system correlating various inputs across the landscape
- Fully compliant with regulatory guidelines across all environments.

04

Reliable Platforms for Clients

- Technology with ultralow latency infrastructure at Exchange Colocation spread across multiple racks in various phases.
- Deployment of key applications at external data centres of global standards.
- Multicast Tick by Tick and Multi-stream broadcast from exchanges which is scalable on demand.
- Multiple Servers, Network devices, Web portals and mobile Apps under management

TECHNOLOGY FOR BUSINESS

State-of-the-art trading technology

- Connectivity for disseminating real-time information.
- Integration with various FIX aggregators across the street.
- Online chat facility with branches, business associates & clients.
- Custom-made trading algorithms built as per client requirements.
- Comprehensive risk management software with the capability of near real-time monitoring.

Electronic Execution Solutions across the landscape

- Multiple trading solutions deployed to offer services like CTCL, Algo, and DMA Trading with ultra-low latency.
- Upgraded Platforms with Internet-based Trading, Mobile/ Wireless Trading, API-based Trading.
- Trading Terminals across HO, branches and franchisees with fast broadcast.
- Internet-Based Trading Facility with Charting solutions provided to clients.

Technology Experience across Sales, Research & Operations

- Client Relations are managed via CRM.
- Technical platform assisting Research on content creation, simplified distribution & and tracking of research reports.
- Fast, Easy and efficient processing of backend systems providing accurate results and bulk processing of trades.
- Upgraded KYC journey, Compliant systems and Systems for accurate processing of accounts

DIGITAL FIRST APPROACH



Software: Exploring new horizons

- Competitive Product And Service Offering across the platforms with API initiatives with various integrations.
- Secure backend and frontend services with regular hardening of platforms and performing vulnerability assessment and penetration tests.
- Better error handling on Apps both In-house and Vendor-provided.
- Complete rewrite of a few In-house systems for better performance and experience for the users.


Product: Optimising Experience

- Improving client journeys for both investors & traders with the app.
- Optimisation to build a more balanced ecosystem of applications.
- Multiple options charts platform to help build a trader community.
- Apps to cater to business requirements with Inhouse development and vendor development.


Digital Platform: Providing Best Experience to Clients

- Digital Properties Built In-house For Diverse And Growing Client Base
- Open Architecture To Seamlessly Integrate 3rd Party Products
- Digital Acquisition of Direct Clients with Orders Executed Online By Direct Clients
- Orders Placed through Mobile App, Client Terminals, REST API & FIX
- Analyzing the customer experience, servicing & growth via the digital platforms


Achievements in Q3 FY 25



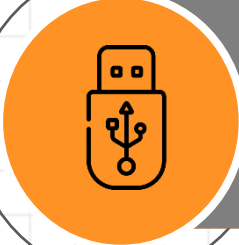
Upgrade the accounting system to the latest version with the new features




Migration of critical/EOL Windows servers to the latest OS version



Migration of critical/EOL LINUX servers from CentOS to supported versions




Upgraded the disk storage as per the retention period on various systems as per MCA guidelines.



Implemented new trading platforms within exchange colocation and proximity datacenter.



Expansion of new racks within exchange colocation & our data centre with new initiatives



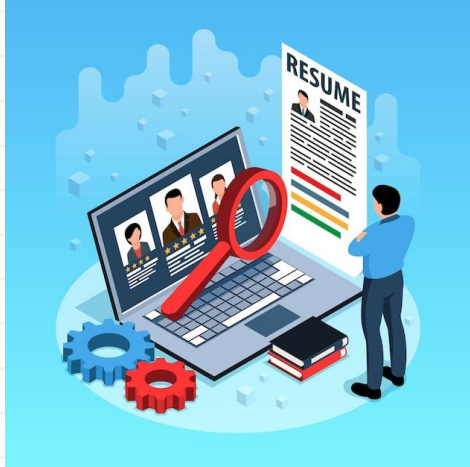
Various measures were implemented as per new CSCR guidelines.



HUMAN RESOURCES

HUMAN RESOURCE INITIATIVES

Q3 FY25 AT A GLANCE



Strengthened our talent pool by recruiting top-tier talent from reputed B-schools and experienced professionals, fostering a dynamic and young workforce to shape Emkay's future leaders.

Launched Rewards and Recognition Program for all employees.



Implemented training programs for employees, focusing on enhancing technical expertise, functional skills, and behavioral competencies.



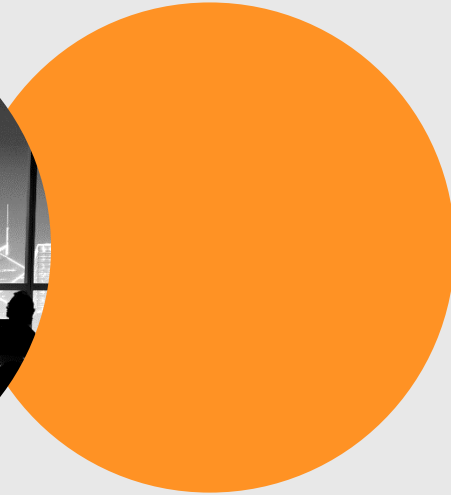
HUMAN RESOURCE

ESOPs

1,79,012 ESOPs aggregating to 0.72% of the outstanding equity of the company were exercised by employees in Q3, reflecting their strong belief in the company's long-term growth and value creation.

This milestone highlights employee confidence and alignment with organizational success, further reinforced by the successful completion of allotment procedures.

By participating in the ESOP program, employees demonstrate a shared drive for sustainable growth and commitment to the company's vision.



CORPORATE OVERVIEW

EMKAY PROMISE, MISSION & VALUES

Promise

Handing over the responsibility for one's finances involves immense trust. At Emkay, we go to great lengths to ensure we hold true to our client's expectations right from ensuring that every person from Emkay meets the set value proposition. We also recall Emkay's mission to be achieved collectively without forgoing values that the company lives by.

Mission

To provide our clients with secure, customised & comprehensive financial solutions to achieve sustained growth.

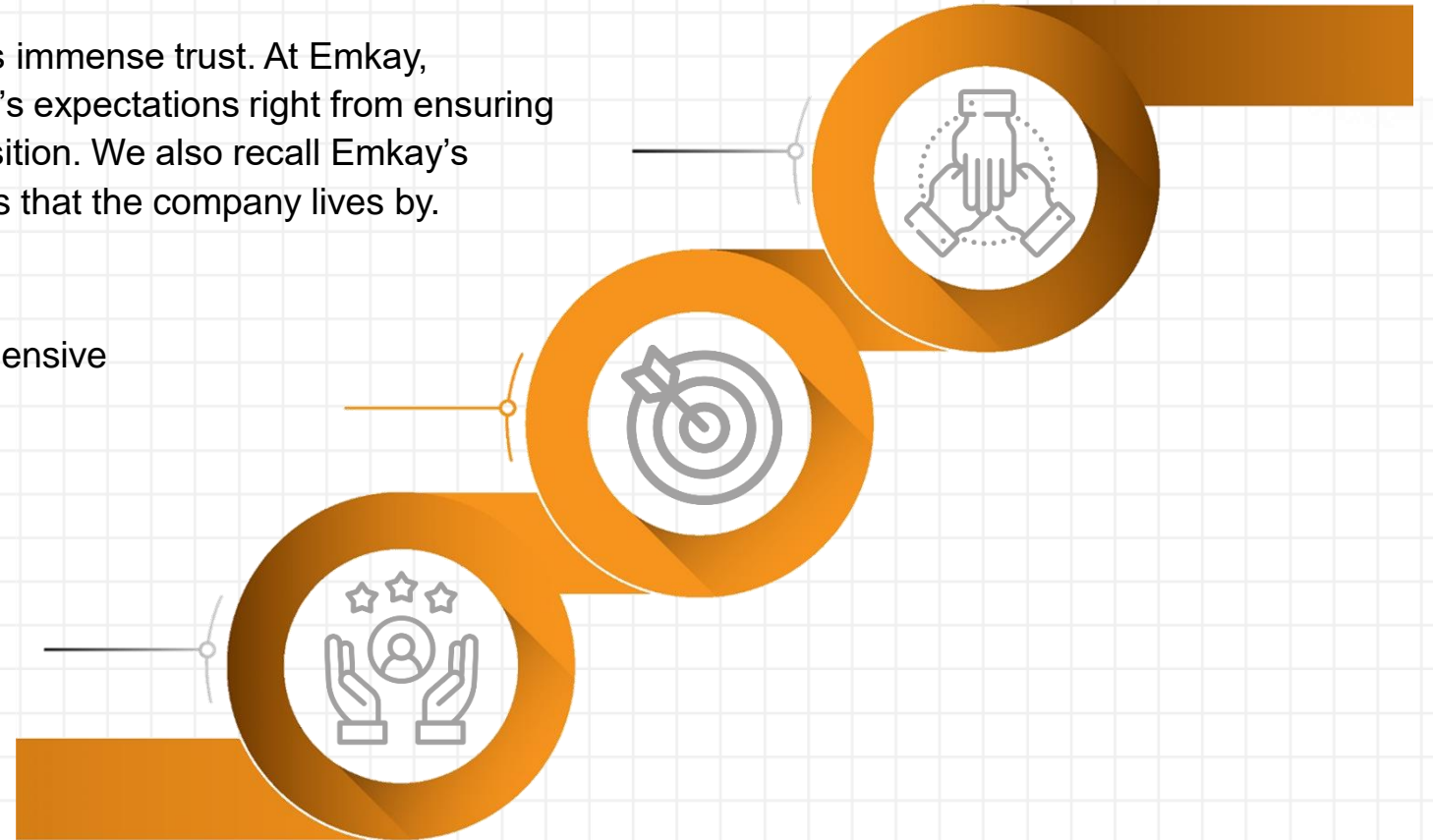
Values

To be fair, empathetic and responsive in serving our clients.

To respect and reinforce our fellow employees and the power of teamwork.

To strive relentlessly to improve what we do and how we do it.

To always earn and be worthy of our customers' trust.



RESILIENCE AND RESPONSIBILITY: OUR DIFFERENTIATORS

Corporate Governance:

We ensure full transparency and accountability while conducting our business in a highly professional and ethical manner. We continuously monitor our governance practices and strive to pursue holistic growth and realize our responsibility towards our stakeholders and environment.

Sustainability:

In the wealth creation journey, we are with our clients for the long haul. Our approach, philosophy and frameworks are all directed towards achievement of the financial goals of our clients by delivering consistent and sustainable returns. A disciplined and fundamentals-driven approach means every portfolio stays strong during the toughest of times and reaps the benefits of compounding.

Human Capital:

Our team forms the nucleus of our essence. They are the pillars that give us stability, agility and proactiveness. We are committed to focusing on their health, safety and skill advancement, and providing them with a collaborative and holistic working environment.

Technology:

Technology is one of the key cornerstones of our business and we have proactively invested in digital assets over the years. With technology at the core of our business, we will keep leveraging on it to offer value addition to clients at each step.



A LEGACY OF NEARLY 30 YEARS

01

A 360 degree approach: From being an institutional broking house to one offering asset management, wealth management, succession planning, investment banking, currency and commodity broking among others, we are driven by our motto 'your success is our success' and have evolved into a 360 degree financial services provider who can efficiently service every financial need of every customer

02

Relationship Focus: The one thing that hasn't changed since our humble beginnings in 1995 is the focus on every relationship we have established. We are far from being a discount brokerage because we realize that clients need to be taken care of as family – they need the right guidance and not just a tool to accomplish their financial goals.

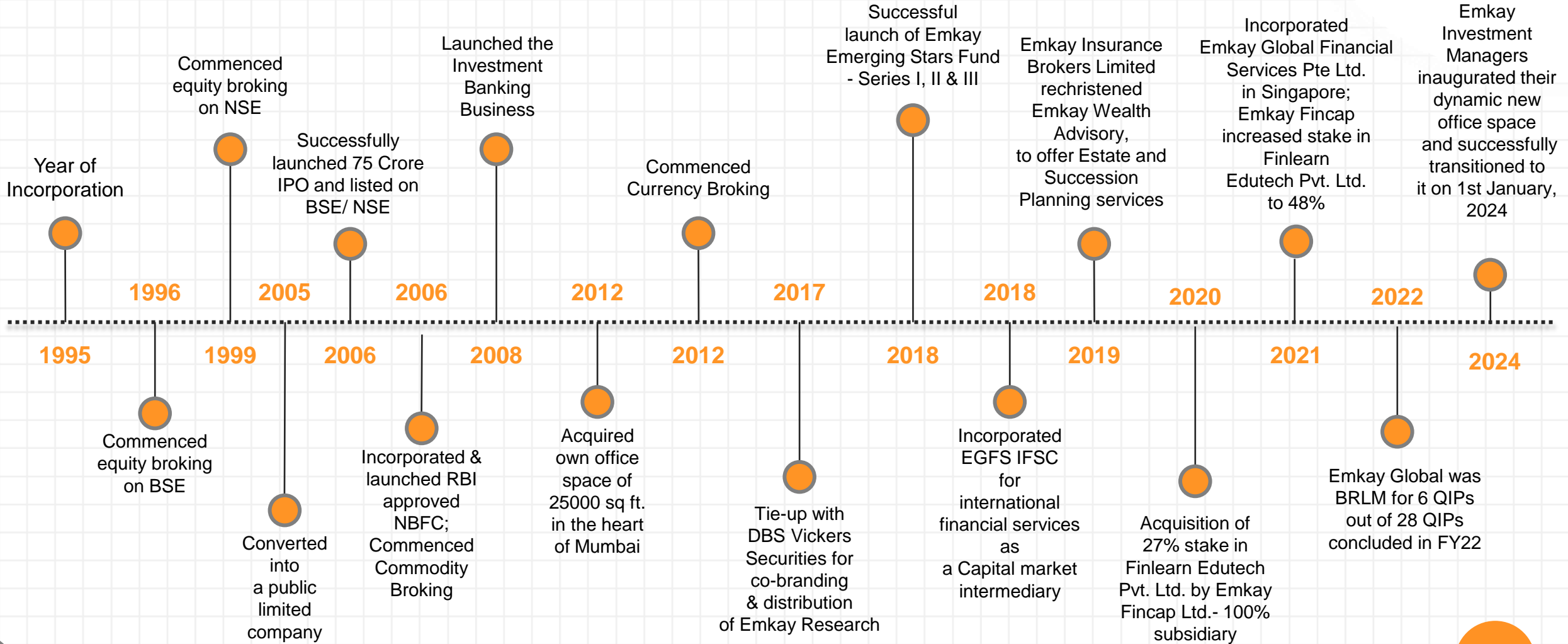
03

Strong Promoters & Board: Pioneered by first-generation entrepreneurs Mr. Krishna Kumar Karwa and Mr. Prakash Kacholia, who come with strong and relevant education and experience, and backed by a Board of visionaries with remarkable track record, our corporate governance and management capabilities continue to remain robust.

04

Significant Research capabilities: Our institutional research covers 190 companies, including active and soft coverage. We cover 29 out of the 50 NIFTY constituents and 24 out of the 30 SENSEX constituents. Our research has won accolades from major International bodies including Asiamoney and Institutional Investor.

THE JOURNEY



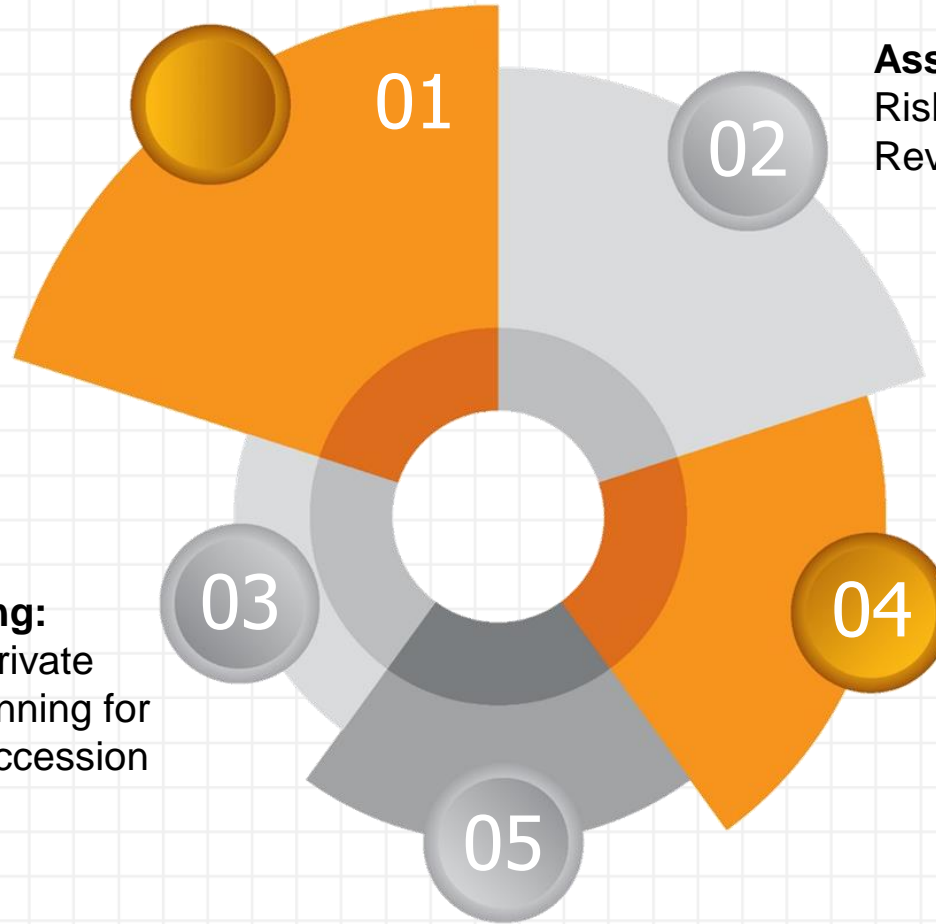
PRODUCTS & SERVICES

Investments:

Institutional & Non-Institutional Equities, Commodities, Currencies, Fixed Income Products

Estate & Succession Planning:

Drafting of Wills, Creation of Private Family Trusts, Succession Planning for Family-owned businesses, Succession Planning for NRIs



Asset & Wealth Management:

Risk Profiling, Asset Allocation, Portfolio Review and Management

Investment Banking: Caters to Public Market, Private Market, ECM and Corporate Advisory

LLP with Azalea Capital: Structures and facilitates Private financing fundraise of companies (in LCY / FCY) in the form of Structured Financing for both Performing and Distressed companies

Financial Education:

Through FinLearn Academy
(an Ed-Tech focused on training in financial markets)

THE BOARD

Mr. Sushil Kumar Saboo

Chairman

Group Advisor (Chairman's Office) for Aditya Birla Group, one of the premier business groups of India.

Mr. Krishna Kumar Karwa

Managing Director

A rank holder member of the ICAI;
Promoter & Managing Director of EGFSL

Mr. Prakash Kacholia

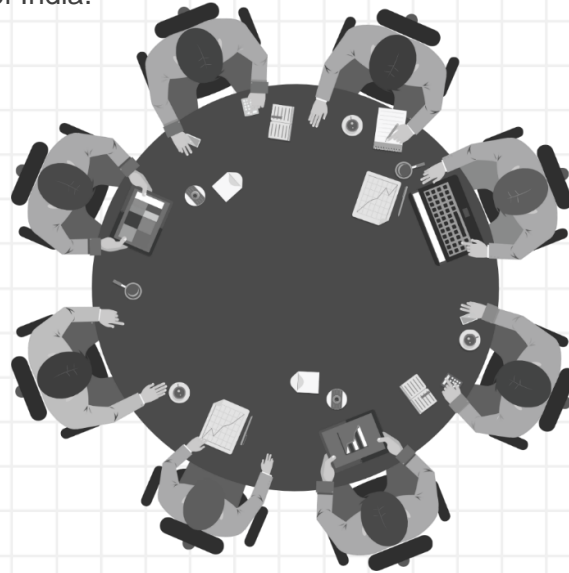
Managing Director

A member of the ICAI;
Promoter and Managing Director of EGFSL

Mr. Raunak Karwa

Non-executive Director (Appointed w.e.f. 28/10/2024)

B.A. (Economics)
He has been Managing Director & CEO of Finlearn Edutech Pvt. Ltd. Since 2021.
He founded Finlearn Academy & Trade:able in January 2020.



Dr. Satish Ugrankar

Independent Director

M.S., D'ORTH (CPS) and F.C.P.S.(CPS), (Mumbai)

Dr. Bharat Kumar Singh

Independent Director

B.E (Mech), MBA (IIM-C), Ph.D (Management Studies) Mumbai University (JBIMS). 46 years of experience across MNCs (ITC & Sandoz) & large Indian business houses (RPG & ABG) in senior capacity.

Mrs. Hutokshi Wadia

Independent Director

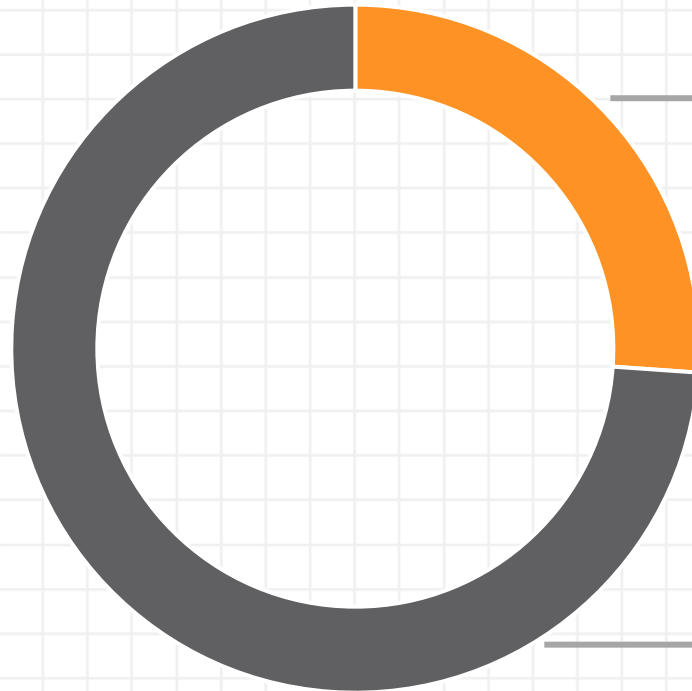
B Com., ACA, ACS
Honorary General Secretary and Chief Operating Officer of Indian National Theatre.

Mr. A Dhananjaya

Independent Director (Appointed w.e.f. 28/10/2024)

B Tech, PGDM
36 years experience with expertise in Risk Management, Portfolio Management, Compliance, Governance and Internal Controls

SHAREHOLDING SUMMARY



73.37%

Promoters &
Promoter Group

26.63%

General Public

RECENT AWARDS



MCX AWARDS 2024
Leading Member
Participating in Energy



Azalea Capital Partners won the **'Best Sustainable Finance Deal 2023'** Award by the FinanceAsia Achievement Awards for South Asia for acting as the Sole Arranger and Advisor to Gravita Netherland BV's ESG fundraise of EUR 34 million.



Best Technology Team (Wealth Management) at the 2nd Annual NBFC **and FinTech Excellence Awards 2023** by Quantic Business Media



Emkay Investment Managers Ltd. awarded as **'Most Innovative Company of the Year'** (BFSI), 2022 at the National Feather Awards

CONTACT US



Registered Office

7th Floor, The Ruby,
Senapati Bapat Marg,
Dadar (W),
Mumbai - 400028.



Tel: +91 22 6612 1212

Fax: +91 22 66121299



www.emkayglobal.com