Market Intelligence
& Analytics

CRISIL
An S&P Global Company

12th August 2024]
Almondz Global Securities Limited
F-33/3,Okhla Industrial Area Phase-II,
New Delhi 110020

Kind Attn.: Mr Navjeet Singh Sobti, Managing Director

Re.: Proposed Industry report filling of *Almondz Global Securities Limited* in India by (the "Company") in the financial year 2024-25

Dear Sir/ Ma'am,

We refer to your e-mail dated 6th August 2024 regarding the content provided to you, for your internal use, by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), as part of your subscription to its following industry research report(s) *("**Report**")*:

CRISIL Market Intelligence & Analytics (CRISIL MI&A) – Industry report for **of *Almondz Global Securities Limited*** *released in Delhi, India] in [08 / 2024]*

As requested by you, we accord our no objection and give consent for filling of the relevant content from our Report, ("**Material**"), in the stock exchange filling to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**") and the stock exchanges where the company is listed ("**Stock Exchanges**"), , SEBI and the Stock Exchanges or any other document to be issued, subject to the following conditions:

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For the sake of clarity, this consent letter does not provide the right to the Company to refer to us as an 'expert' as defined under Section 2(38) of the Companies Act, 2013, in any of the filing Documents.

You hereby agree and undertake not to misrepresent, make any changes to or tamper with the Report, or present any part thereof, out of context or in violation of applicable laws and regulations. Further, you acknowledge and agree that CRISIL does not have any liability or responsibility for the filling Documents or any part thereof.

We consent to the technical proposal covering the scope dated 14th May 2024 the Report and the Material being disclosed (a) in the "*Material Contracts and Documents for Inspection*" section of the filling Documents, and (b) being kept open for inspection by members of the public as a material document in connection with the filling from the date of the filling.

We confirm that we are an independent agency and are not, in any manner, related to the Company, its directors, its key managerial personnel, or the book running lead managers .Neither the Company, nor its directors, its key managerial personnel, or the Book Running Lead Managers, are related parties to us as per applicable law as on the date of this letter. We also confirm that, we are not and have not been engaged or interested in the incorporation, promotion or management of the Company.

We represent that our execution, delivery and performance of this consent have been duly authorised by all necessary action (corporate or otherwise).

For **CRISIL Limited**

Vishal Ahuja
Director

Market Intelligence
& Analytics

CRISIL
An S&P Global Company

Industry Report Almondz Global Securities Limited

July 2024

Research

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Background

Almondz Global Securities Limited, a listed company, is a financial services provider since 1994 which offers depository participant services, wealth management advisory and equity broking services. The company is a member of: National Stock Exchange of India Limited (NSE); Bombay Stock Exchange Limited, (BSE); and Central Depository Services (India) Ltd., (CDSL) (for depository services).

Company is an AMFI registered Mutual Fund Distributor since 17/02/2003 with registration number 1308 having validity till 11/02/2025.

Objective

- Conduct a financial projection of Almondz Global Securities Limited
- It has selected CRISIL for carrying out the fair valuation
- This valuation report is a deliverable against the same

Macroeconomic scenario in India

Global economy is witnessing tightening of monetary conditions

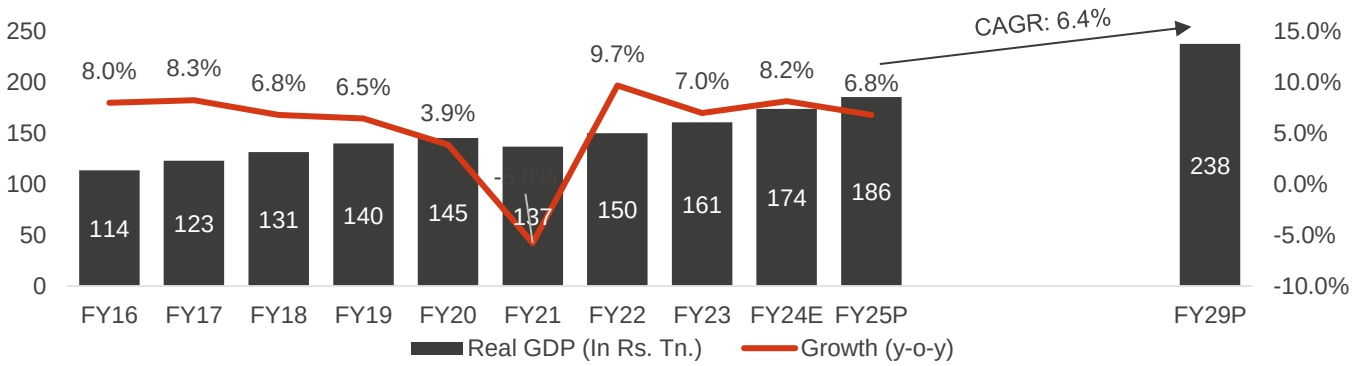
The global economy is witnessing tightening of monetary conditions in most regions (United States of America, United Kingdom among others). As per the International Monetary Fund (IMF) (World Economic Outlook Update – April 2024), global growth prospects for FY24 and FY25 will hold steady at 3.2%. The trade outlook for the calendar year 2024 is expected to be negatively impacted by geopolitical frictions, persisting inflation and lower global demand. Furthermore, deceleration in domestic growth could lead to some softening in imports. The central bank policy rates expected to be elevated to fight inflation amid withdrawal of fiscal support and low underlying productivity growth. Due to restrictive monetary policy, inflation is falling in most regions. As per IMF (World Economic Outlook Update – April 2024), global headline inflation is expected to be around 5.9% in 2024 and 4.5% in 2025.

India expected to remain one of the fastest growing economies in the world

The Indian economy was among the fastest-growing in the world prior to onset of the Covid-19 pandemic. In the years leading up to the global health crisis which disrupted economic activities, the country's economic indicators posted gradual improvements owing to strong local consumption and lower reliance on global demand. Despite global geopolitical instability, India continues to maintain its position as one of the fastest-growing economies globally. In February 2024, the National Statistical Office (NSO) in its second advance estimate of national income estimated the real GDP to grow at 7.6% year-on-year basis in fiscal 2024, while Q4 FY24, growth was much stronger than 5.9% factored in in the second advance estimates of the National Statistics Office (NSO) in February. This prompted NSO to revise the FY24 GDP growth estimate to 8.2%. Going forward, CRISIL MI&A expects a moderation in GDP growth rate to 6.8% in FY25, largely due to factors such as demographic advantage, robust domestic demand, economic reforms, manufacturing and infrastructure development, technological advancements, and digital push.

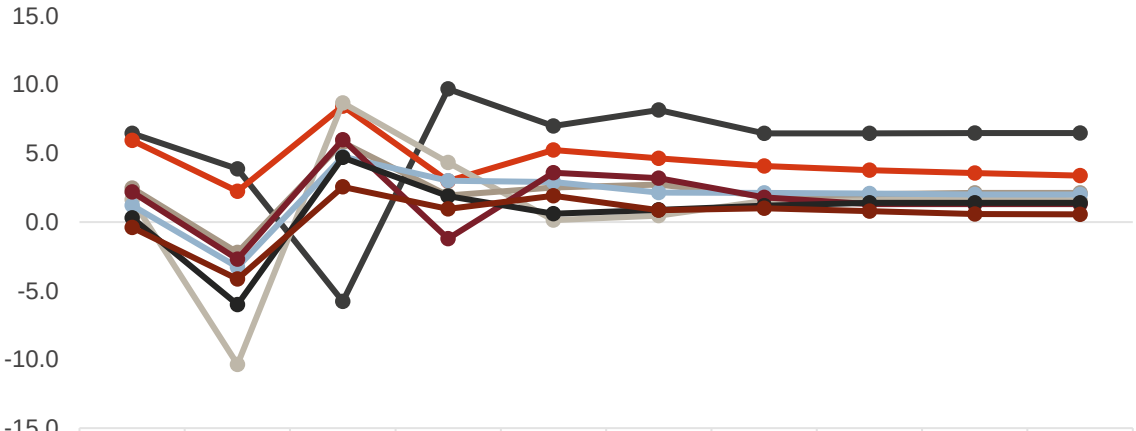
India's economy expected to grow at 6.8% in fiscal 2025

Over the past three fiscals (FY22-24), Indian economy has outperformed its global counterparts by witnessing a faster growth. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.



Note: E = Estimated, P = Projected; GDP growth till fiscal 2023 is actuals. GDP Estimates for fiscals 2023- 2024 is based on NSO Estimates and 2024-2025 is projected based on CRISIL MI&A estimates and that for fiscals 2025-2029 based on IMF estimates; Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – April 2024 update)

India is one of the fastest-growing major economies (GDP growth, % year-on-year)



	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
India	6.5	3.9	-5.8	9.7	7.0	8.2	6.5	6.5	6.5	6.5
China	6.0	2.2	8.5	3.0	5.2	4.6	4.1	3.8	3.6	3.4
United Kingdom	1.6	-10.4	8.7	4.3	0.1	0.5	1.5	1.7	1.7	1.6
United States	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2.0	2.1	2.1
Brazil	1.2	-3.3	4.8	3.0	2.9	2.2	2.1	2.1	2.0	2.0
Russia	2.2	-2.7	6.0	-1.2	3.6	3.2	1.8	1.3	1.3	1.3
South Africa	0.3	-6.0	4.7	1.9	0.6	0.9	1.2	1.4	1.4	1.4
Japan	-0.4	-4.1	2.6	1.0	1.9	0.9	1.0	0.8	0.6	0.6

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Growth numbers for India till 2024 are for financial year, 2024 is as per NSO estimates for FY24. Post FY24, all estimates for India are as per calendar year. Data represented for other countries is for calendar years, E: Estimated, P: Projected; Source: NSO, IMF (World Economic Outlook – April 2024), CRISIL MI&A

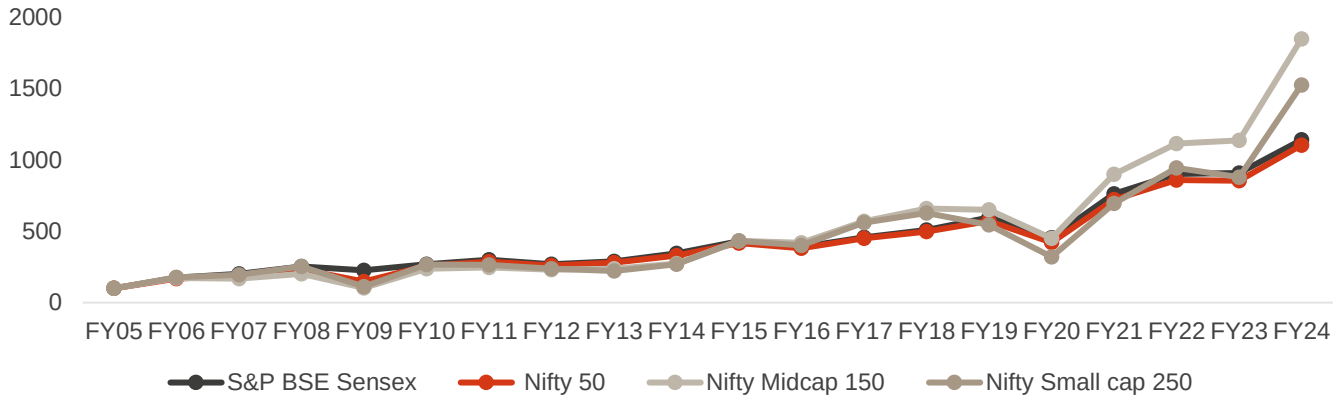
Overview of broking industry in India

Overview of capital markets in India

Capital markets clocked strong growth in the current fiscal as Nifty 50 registered growth of 34.6% for the period of April 2023 to June 2024

The Indian Capital Markets witnessed strong performance during the period Fiscal 2005-24. The market capitalization of National Stock Exchange ("NSE") grew at 16.7% CAGR during Fiscal 2005 to Fiscal 2024. The NIFTY 50 index has grown at a CAGR of 13.6% over this period. BSE Sensex has followed a similar growth trajectory to Nifty 50. In case of NSE, the number of companies traded rose from 818 to 2439 between fiscal 2005 and fiscal 2024. NIFTY Midcap 150 grew at CAGR 16.6% during Fiscal 2005-24 and Nifty Small cap 250 grew at 12.8% during the same period. Covid-19 pandemic crisis and subsequent Russia-Ukraine war resulted heightened pressure on global supply chain, inflation, and interest rates. Owing to these, overall market took a significant fall in early CY 2020, by about 23.2% on Nifty 50 in March 2020 over February 2020, and by about 9.0% after the commencement of the Russia-Ukraine war. Despite the initial fall, Indian capital market has recovered and bounced back from pandemic and global events led fall, registering 37.65% growth between Mar'22 and June'24.

BSE and NSE performance, FISCAL11-24

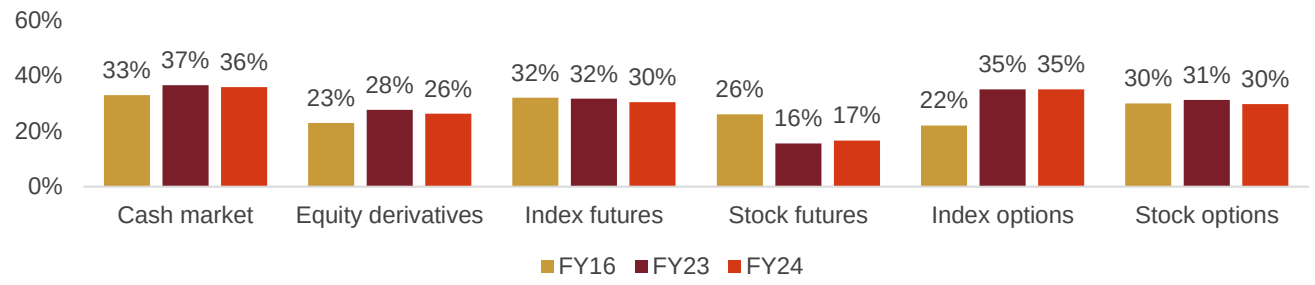


Note: Indices indexed to 100 in Fiscal 2005
Source: NSE, BSE, CRISIL MI&A

Retail Investor Participation driven by rising awareness, rise in interest penetration/mobile trading and drop in broking commissions

Increase in awareness among retail investors, rise in internet penetration/mobile trading and drop in brokerage costs have aided the rising participation of retail investors across product segments. The Active Client Base on NSE increased at 30.1% CAGR from 5.2 million in March 2016 to 32.7 million in March 2023. The growth in market share of retail participants has been highest in the Index options with gain of around 13.2 percentage points from 22.0% in Fiscal 2016 to 35.1% in Fiscal 2024. However, the notional turnover growth has been more robust in the equity derivatives segment.

Share of Retail Participation across markets segments on NSE



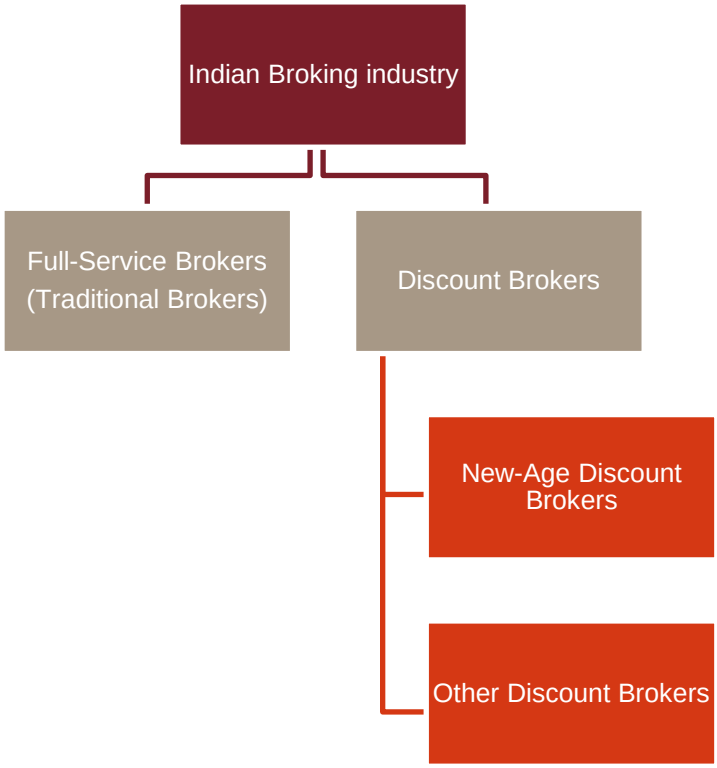
Source: NSE Market Pulse, CRISIL MI&A

Types of products offered by exchanges

Exchanges offer a variety of products to investors, sold via brokerage firms or data vendors. Below is the list of products provided by exchanges:

Segments	Products and services	Customer group
Cash market	Products: Equities, ETF, MF, SLBS, OFS Services: Settlement guarantee	Retail, Institutional and Proprietary; Participants - Domestic & Foreign
Derivatives	Products: Equity Derivatives (Index & Stock), Currency Derivatives, Interest Rate Futures, Derivatives on Global Indices & Volatility. Services: Settlement Guarantee	Retail, Institutional and Proprietary; Participants - Domestic & Foreign
Commodity	Products: Commodities (including agriculture, metals, oil, gold, etc.), Commodity futures, Commodity options Services: Settlement Guarantee	Retail, Institutional and Proprietary; Participants - Domestic & Foreign
Debt Market	Products: Debt securities, corporate bonds, Sovereign Gold Bonds, Govt. securities & T bills. Services: Clearing and Settlement, Risk Management, Connect NSE, Corporate bond database	Retail, Institutional and Proprietary; Participants - Domestic & Foreign
Data and Information Vending	Products: Online Real time Data Feed, 15-Min delayed, 5 minutes, 2 minutes and 1 minute Snapshot Data, EOD data, Historical Trade & order, and Corporate Data. Services: Providing data feed	Data vendors, researchers, TV channels, financial websites, software and algorithm developers
Index Services	Products: Equity Index- BSE SENSEX, NIFTY, NIFTY 100, NIFTY Bank indices etc. and Debt Index. Services: Index IP Licensing and Customized Index solution	AMCs, ETF issuers, insurer, NBFCs, investment banks, stock exchanges and AIFs
Margin trading facility	Products: Equity cash delivery segment Services: Margin and SPAN reports	Retail, Institutional and Proprietary; Participants - Domestic & Foreign

Types of Brokerages in India



Full-Service Brokers (Traditional Brokers) – Full Services Brokers provide a wide range of financial products in equity, debt, derivatives, and third-party distribution products. Apart from broking services for equity asset class, the traditional brokers cross sell third party distribution products like mutual fund, PMS, AIF, PE, Corporate Bonds, FDs, NCDs, Sovereign Gold Bonds, etc. and also insurance and loan products as a part of their product bucket. They also have in-house Research team to publish market reports. Few Full-Services Brokers also provide advisory and platform to invest in insurance products for their clients. Further, the majority of them have an offline presence and provide clients with a devoted Relationship Manager.

Discount Brokers - Discount Brokers provide trading activity services for their clients on a reduced commission / flat brokerage basis. Majority discount brokers do not charge any brokerage on delivery orders in the cash segment and charge a flat fee for cash intraday trading and derivatives orders. The Discount Brokers generally do not provide regular Research Reports or a Relationship Manager to their clients. The Discount Brokers leverage technology to optimize their operational costs and do not have a significant physical presence.

New-Age Discount Brokers - The Discount Brokers can be further classified into New-Age Discount Brokers which commenced their broking operations post 2010. The New-Age Discount Brokers have strong integration of Technology in their workflow and have a Mobile-First Approach. The New-Age Discount Brokers acquire almost 100% of their customers through online channel and would not have any of their owned branches for client acquisitions.

The industry can be broadly divided into two – 1. Brokerages that charge a flat transaction-based fee irrespective of the volume or the trade size; and 2. Those that charge a percentage fee on the transaction value hereafter referred to as non-flat fee brokers.

Traditionally, larger bank-based players adopted percentage fee-based model, where for each transaction (intra-day and delivery-based), a fixed brokerage fee as percentage of value of transaction was charged which was mentioned in the annual plan of the customer. They have largely persisted with this model and have started offering limited plans for some customers based on a flat fee-based structure, with some conditions attached. On the other hand, most of the brokerages, some even commanding a very high market share of active customers, have adopted the flat fee-based model, where transactions are charged on a flat fee basis irrespective of the value of transactions, except for very small value transactions.

The New-Age Discount Brokers have successfully integrated Technology in their Workflows thereby enabling them to operate at efficient cost structures. Further, this has also led to lower brokerage/flat-fee brokerage offerings by New-Age Discount Brokers, which has disrupted the pricing for the entire Industry and also forced Traditional Players to re-look at their product offerings. However, a few Traditional Players may find it difficult to adapt to the new Industry Workflow and hence the pricing structures thereby posing a strong possibility of further consolidation going forward.

Distribution of total registered investors

The total registered investors in the country have grown to 85.41 million in 9M FISCAL 2024 from 27.48 million in Fiscal 2019. Maharashtra remains the top state in terms of registered investors between Fiscal 2019 and 9M FISCAL 2024 with 17.48% as of 9M FISCAL 2024. Uttar Pradesh has shown substantial growth in registered investors and is in second place with 10.55% share in 9M FISCAL 2024, a substantial increase from 7.17% in FISCAL 2019.

	FY19	FY20	FY21	FY22	FY23	FY24
Registered Investors ('000)						
Registered Investors in Top 5 States	14,512	16,234	20,562	29,296	35,425	43,476
Registered Investors in Other States	12,975	14,770	19,469	30,077	37,261	46,528
Total Registered Investors	27,487	31,004	40,031	59,373	72,686	90,004
Share in Total (%)						
Top 5 States	52.80%	52.36%	51.37%	49.34%	48.74%	48.30%
Other States	47.20%	47.64%	48.63%	50.66%	51.26%	51.70%

Source: NSE, CRISIL MI&A

Overview of wealth management industry

Industry overview

Depending on goals and constraints of clients, the wealth management industry provides professional investment advice, financial planning and management services that best suits their requirement. It also provides value-added services, such as investing in art and antiques, and helps clients in philanthropic activities. The wealth management industry has seen robust growth over a low base, because of fresh investments from household savings going into organized financial assets, and increasing need for customization, with clients typically asking advice for asset management, financial planning, tax planning, estate planning, and succession planning.

Type of wealth management services

Advisory: In this type of service, investment decisions can be at the wealth management company's discretion or solely taken by the client. This is typically for HNIs and UHNIs. As the smaller investors are not accustomed to paying a fee for wealth management advice, the fee-based advisory model has not yet matured in India. Many wealth managers refrain from offering fee-based advisory services, instead focusing on commission from transactions.

Distribution: This type of service is primarily transaction-oriented, where the client assigns the wealth manager to execute specific transactions related to his/her wealth management. However, investment planning, decision and further management remain vested with the client. This service is offered for products, such as mutual funds, ETFs, portfolio management services, alternative investment funds, tax-free bonds, and fixed deposits. These services are also offered by brokerage firms, apart from the wealth management firms.

Custody, servicing, and safekeeping of assets: A wealth manager is only entrusted with management, administration, and oversight of the process of investment. All investment planning, investment decisions, and execution are done by the client.

Family office: Family office services provide large businesses and families with customized solutions to manage their wealth better, and aid in succession planning. It offers services, such as tax planning and wealth management, philanthropy, will execution, and estate planning. Family offices charge fees based on percentage of assets managed above the fixed amount of fees. Approximately 25-30 bps is the typical yield charged. Family offices is ideal if the portfolio is over ₹ 1 billion.

Customer profile in wealth management industry

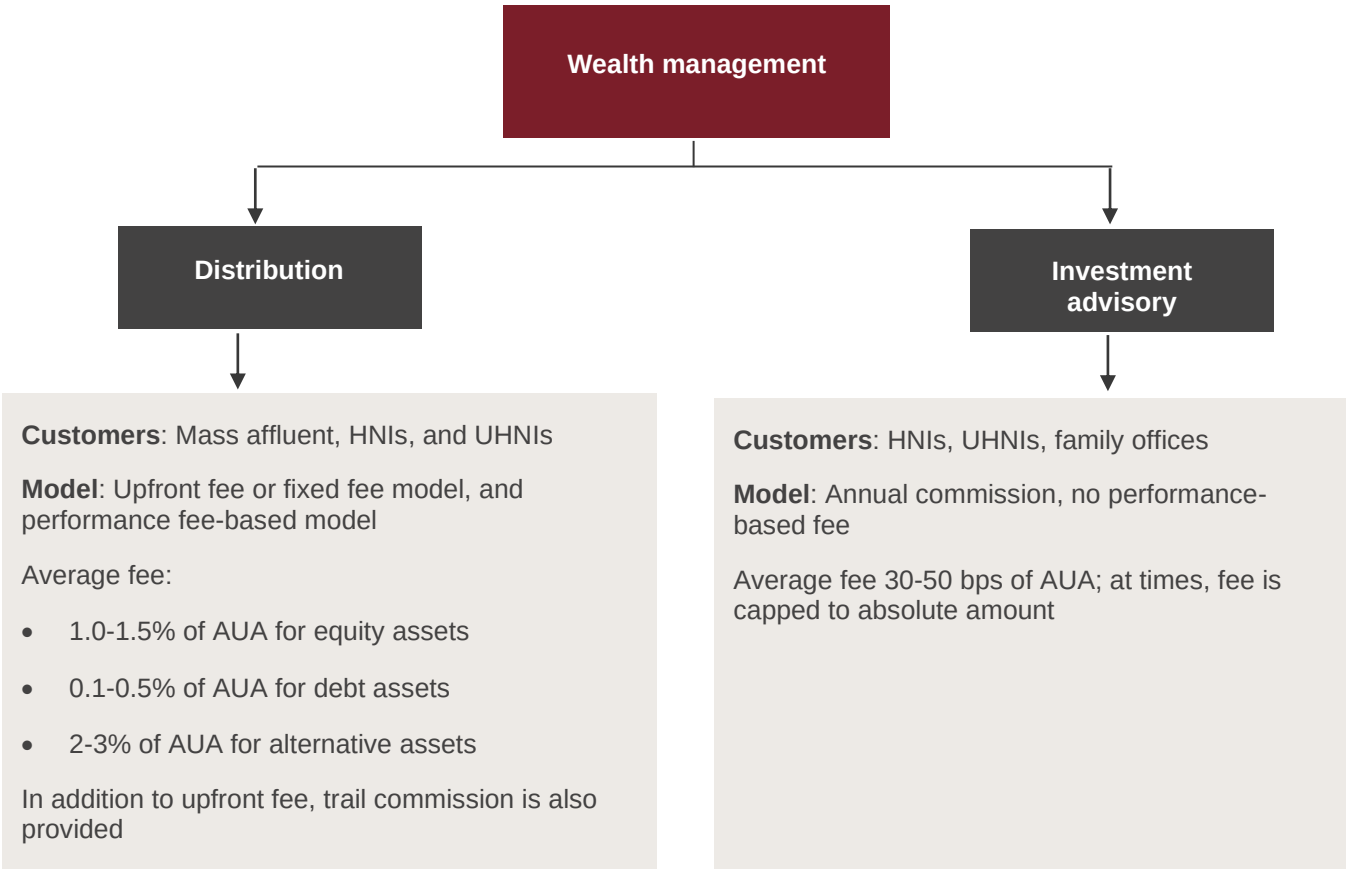
UHNIs: These are entrepreneurs, corporate executives, or wealthy families who have an investable assets base of over ₹ 250 million, excluding their primary residence, collectibles, consumables, and consumer durables. They usually require structured customized solutions from the wealth manager.

HNIs: They have an investable asset base of over ₹ 50 million, excluding their primary residence, collectibles, consumables, and consumer durables. With rising income levels, increasingly professionals and salaried individuals are able to generate surplus income, which they prefer to channel into productive investments. Thus, newer categories of customers, affluent and mass affluent, have emerged in the last few years

- **Affluent customers:** Wealth management players and brokers provide distribution and custodial services to this segment. Affluent customers are those who have investable asset base of ₹ 5.0 million to ₹ 50 million
- **Mass affluent/ retail investors:** These are customers with less than ₹ 5.0 million of investable asset base

Wealth management firms have different strategies, based on the profile of the customer. There are different teams catering to UHNIs and HNIs, and those catering to affluent and mass affluent customers. For instance, one relationship manager ("**RM**") typically services 400-700 customers in the affluent/mass affluent category; the corresponding number ranges between 50-70 clients per RM in the case of HNIs and 10-20 clients per RM for UHNIs.

Revenue model in wealth management services



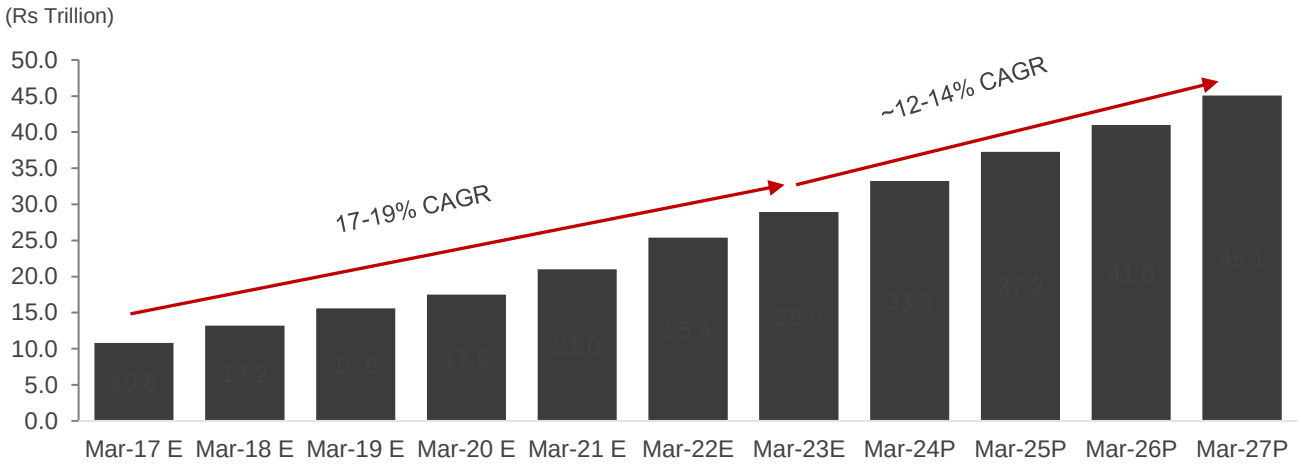
Source: CRISIL MI&A

Industry outlook for Wealth Management in India

The wealth management industry in India is still at a very nascent stage. It has huge potential to become a high-growth market supported by a young affluent investor base, improving wealth levels, strengthening regulatory environment, and an increasing share of organized players, including banks, independent wealth advisors, and brokers, who act as financial advisors. The thrust on customization, technology dependence, rising awareness, and thrust on financial assets as against physical assets is expected to create large opportunities for the wealth management industry in India. In terms of offerings, family office solutions and estate planning have been seeing increasing demand in recent years.

CRISIL Research estimates India's wealth management industry, including banks and broking companies offering such services, assets to be at around ₹ 28.9 trillion in Fiscal 2023. CRISIL Research projects the market to grow at a CAGR of 12-14% over March 2023 to March 2027 and cross ₹ 45.1 trillion by Fiscal 2027. This is expected to be supported by significant under penetration compared to other developed economies, increasing population of affluent clients, increase shift from physical assets to financial assets and increasing complexity of assets amid rising competition.

Wealth management industry AUM to grow at 12-14% CAGR over Fiscals 2023 to 2027



E: Estimated; P: Projected, Source: CRISIL MI&A

Key growth drivers for Indian Wealth Management

- **Low penetration of organized wealth management:** The assets under administration ("**AUA**") of wealth management market in India, at approximately ₹ 28.9 trillion, is only approximately 10.5% of India's GDP. In established markets, advised wealth, as a percentage of GDP, is at 60-75%. However, there has been a rising demand for wealth managers in the tier 1 cities in India, owing to rising awareness among affluent and mass affluent customers, and increasing number of potential clients on account of growing income levels. The increase in penetration of wealth management companies into tier 2 and 3 cities is expected to help drive growth, given more than 40% of the UHNIs live in non-metros, and their wealth is majorly managed by independent financial advisors ("**IFAs**") and chartered accountants.
- **Increasing population of affluent clients with rising income levels:** With an expanding economy, middle class incomes and investable assets of UHNIs in India have increased sharply over the past few years. This, along with increasing financial literacy and growing customer awareness, has led to an increase in demand for wealth products. India has one of the world's fastest growing UHNI population, both in terms of the number of individuals and wealth levels. The rise in the UHNI population has been partly driven by e-commerce start-ups and rising income levels.
- **Increase in wealth allocated towards financial products**: Individuals and investors are increasingly moving away from traditional physical investments, such as real estate and gold, and making higher allocations into financial assets, such as equity, bonds, and alternative investments, thereby creating higher potential for wealth products. This, along with the ease in accessibility of different investment products on one platform, is expected to help propel growth.
- **Increasing complexity of products requiring advice:** There is increasing complexity of the financial products in the market, thereby requiring advice from professionals for better understanding of the products before investing. This is expected to help drive growth of the investment advisory business.

The net average fees earned by the advisory services is in the range of 30-50 bps of AUA, with the fees being on the higher side for mass affluent and HNI customers compared with UHNIs. Sometimes, these advisory fees are capped up to a fixed amount for HNIs and UHNIs customers. For distribution, the average fee is approximately 1-1.5% of the AUA for equity products with similar or marginally lower trail yields and 0.1-0.5% of AUA for debt products. For alternative assets, the average upfront distribution fee is 2-3% of AUA with no trail commission. Firms have been trying to optimize their cost to income ratios through appropriate investments in talent acquisition, technology, and tools.

Overview of Investment Banking in India

An investment bank is a financial services company or a division of a financial institutions that engages in advisory based financial transactions on behalf of individuals, other corporates, or government institutions. The investment

banking market, thus consists of sales (charges on tractions, fees, and commission) of services by investment banks that undertake capital risk in the process of underwriting securities, providing corporate finance services and merger and acquisition (M&A) services.

Investment banking services is generally classified into the following:

- **Merger & Acquisition (M&A) and Private Equity (PE) Advisory Services:** It includes helping entities in identifying and implementing opportunities to merge with or acquire other businesses. It includes financial planning, fundraising, tax and legal support and other allied services support required for an entity to acquire the target. The investment bankers also provide PE services that encompassed different stages of the investment cycle, from deal to strategy, structuring and exit plan. The investment banks charge clients a fixed fee, and in addition, a proportion of the deal value.
- **Debt Capital Market Underwriting Services:** It is a process through which investment bankers raise debt capital from investors on behalf of clients that are issuing debt securities. It involves activities such as fixing coupon rate & number of bonds to be offered to the investors based on issuers current and future prospect. The investment banks charge clients, a proportion of the security's value.
- **Equity Capital Market Underwriting Services:** It is a capital underwriting process through which investment banks raise equity capital from investors on behalf of companies. It includes activities such as fixing equity pricing and number of equities offered, Equity floatation can also be either initial public offerings (IPO), follow on public offer (FPO) or right issues of companies which have already been publicly floated. Investment banks charge clients, a proportion of security's value.
- **Financial Sponsor/Syndicated Loans:** These services include finding lenders to finance large projects. The borrowers can be a company, government, or loans from multiple parties. The investment banks charge clients, a fixed fee, or a proportion of loan value.

Overview of ethanol industry in India

Introduction

Rapid economic growth has boosted India's energy consumption significantly over the years. For instance, petrol demand has risen steadily due to increased vehicle sales—with automobile demand projected to clock a compound annual growth rate (CAGR) of 8-10% from fiscals 2025 to 2027, petrol consumption is likely to increase 3-4% during the period.

In the context, India needs to increase crude oil imports to cater to the rising energy requirements in the domestic market. India's crude oil import bill remained elevated at $133 billion in fiscal 2024 despite an easing in crude oil prices from the highs of fiscal 2022 due to geopolitical events that had pushed up the bill to $157 billion.

To limit the spending on crude oil imports, the government has been encouraging production of biofuels that can be blended with petrol, thus lowering the crude oil requirement. Derived from renewable biological sources such as crops, algae and organic waste, biofuels represent a sustainable alternative to conventional fossil fuels.

Indeed, India has invested extensively in biofuels through its Ethanol Blended Petrol (EBP) Programme with the aim of mitigating climate change by reducing greenhouse gas emissions as well as reducing the country's dependence on crude oil imports. Additionally, ethanol manufacturers have benefited from government support aimed at encouraging ethanol production.

Government Initiatives

National Policy on Biofuels – 2018

The policy aimed to increase the usage of biofuels in energy and transportation sectors of the country in the coming decade. The policy also aims to utilise, develop, and promote domestic feedstock, and its utilisation for production of biofuels, thereby substituting fossil fuels while contributing to national energy security, climate change mitigation, apart from creating employment opportunities in a sustainable way. The policy will also encourage the application of advanced technologies for biofuel production.

Ethanol procurement policy on a long-term basis under EBP Programme – 2019

Oil marketing companies (OMCs) had been entering into long-term service contracts with petroleum, oil and lubricant as well as liquefied petroleum gas (LPG) transporters, private LPG bottlers, lube carrying and forwarding, warehousing, drum supplies, etc. Several suggestions / representations have been received from the ethanol industry members to explore the possibility of long-term procurement contracts between OMCs and ethanol suppliers. Long-term contracts for ethanol supply for a period of five years will have following advantages: a) the vendors get an assured supply requirement in advance, which would help them in investment decision, and b) reduction in number of tenders and time in the finalisation of tenders.

New Guidelines for Sugar Mills – 2020

Issued guidelines for diversion/sale of B-heavy molasses, C-heavy molasses, cane juice, sugar syrup and sugar used by sugar mills for production of ethanol, as well as the quantity of ethanol produced from the B-heavy molasses, C-heavy molasses, cane juice and sugar syrup by distilleries.

National Policy on Biofuels – 2022 Amendment

The goal of the policy is to enable the availability of biofuels in the market, thereby increasing its blending percentage. The Ministry of Petroleum & Natural Gas has notified that oil companies will sell EBP with up to 20% ethanol throughout the country from April 1, 2023. Blending of ethanol in petrol is expected to gradually increase in the coming years. A target of 20% ethanol-blended petrol has been proposed by EY 2025-26. An indicative target of 5% blending of biodiesel in diesel/direct sale of biodiesel has been proposed by 2030. This goal is to be achieved by:

(a) Reinforcing ongoing ethanol/biodiesel supplies through increasing domestic production

(b) Setting up 2G biorefineries

(c) Developing new feedstock for biofuels

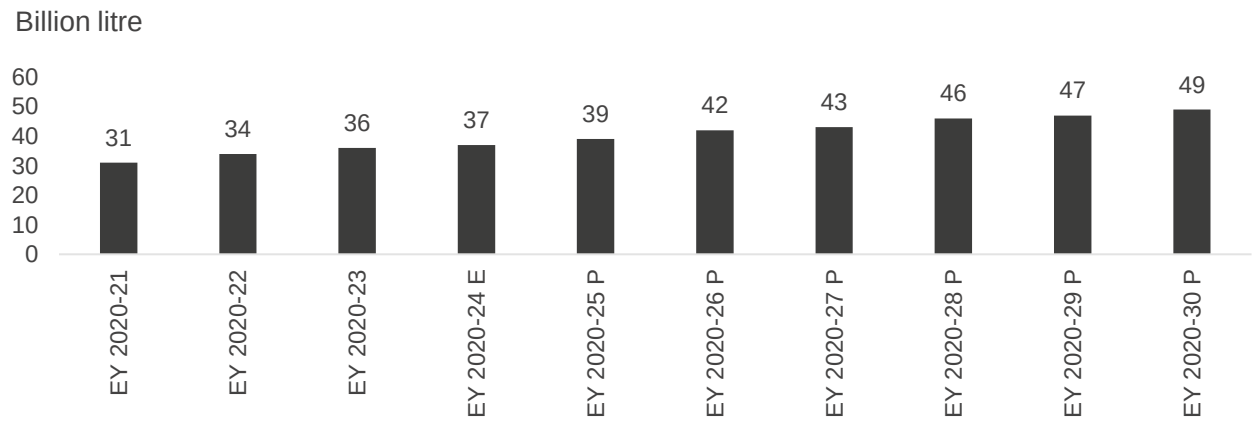
(d) Developing new technologies for biofuel production

(e) Creating a suitable environment for biofuels and their integration with main fuels

Ethanol & Petrol synergy

India's petroleum imports stood at 234 million metric tonne (MMT) at a cost of $132 billion in EY (Ethanol Year) 2022-23. Further, ~86% of crude oil is imported, and the demand is ever rising with the expanding economy. CRISIL MI&A expects India's crude oil demand to increase moderately going forward. With the increase in automobile sales, demand for petrol clocked a CAGR of 8% from 2013 to 2023, led by the pick-up in consumption post-pandemic. After EY25, petrol consumption is expected to grow ~4%. This will increase petrol demand to about 49 billion litre in EY30 compared with about 36 billion litre in EY23. With 30% ethanol blending, we would require about 15 billion litre of ethanol to be produced in EY30, compared with about 8 billion litre required in EY25 for 20% ethanol blending. The increase in ethanol requirement by around 2 times is expected to be fulfilled by manufacturing ethanol from sugarcane juice, molasses and high-starch grains like maize and rice.

Petrol consumption to stabilize after EY 25



Source: Industry, CRISIL MI&A

IMFL sales to grow steadily at 4-5% in FY25 as volumes grows higher than pre-COVID years

The consumption of Indian-made foreign liquor (IMFL) is forecast to grow moderately by 4-5% on-year to ~426 million cases in fiscal 2025, after expecting a rise of ~5% in fiscal 2024 as individual state policies encouraged country liquor consumers to shift their preference towards lower rung IMFL.

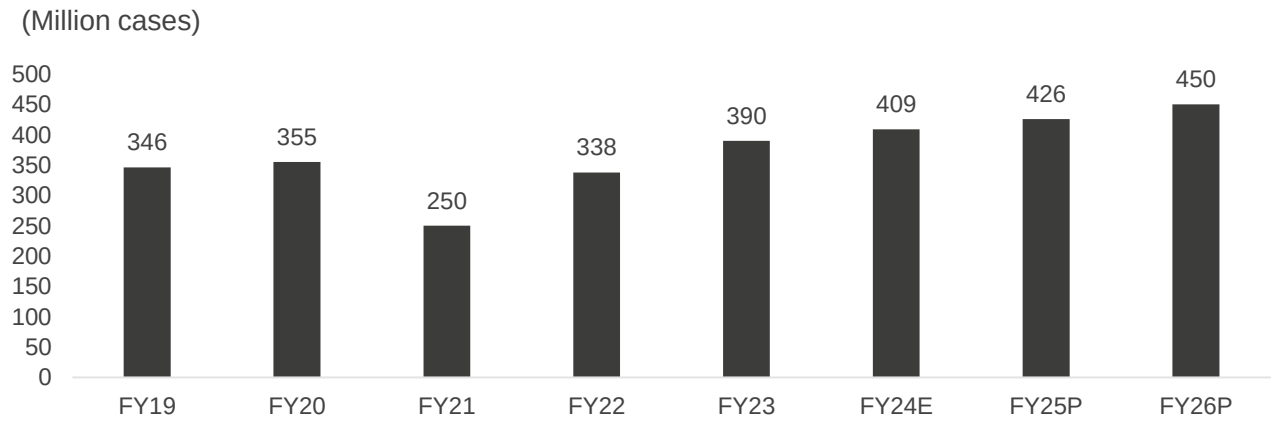
Most IMFL-consuming states like Tamil Nadu, Telangana, Maharashtra, and Punjab have not increased duties on liquor in FY24 to encourage IMFL sales and earn higher revenue. For FY24, Uttar Pradesh has increased its IMFL sales quota by 10%. Rajasthan has removed extra 30% excise duty on RML and IML and instead increased ex-distillary price of IML by Rs 40 per box.

Kerala has levied a social security cess of Rs 20 on every bottle of IMFL costing Rs 500-999 and that of Rs 40 on IMFL bottles costing Rs 1000 and above. UP, the state to collect highest excise revenue at Rs 58,000 crore in FY24, has marginally increased price of liquor by Rs 10 per bottle with rising raw material costs.

Interestingly, while Telangana government set up permit rooms- a place to sit and consume alcohol at MRP, a cheaper alternative to bars and clubs as a point of consumption, Madhya Pradesh, on the other hand, will not allow on-premise alcohol consumption and close down 'ahatas' from FY24 onwards. Protests influenced this change in liquor policy to discourage alcohol consumption in MP by a prominent BJP leader- Uma Bharti in an already BJP-led state.

Most states have increased their revenue target through liquor sales, as they aim to increase alcohol sales volume in the state as consumers shift from country liquor to IMFL with premiumization trends. This would bode well for the IMFL industry in fiscals 2024 and 2025.

IMFL sales



Note: E: Estimated; P: Projected Source: Industry, CRISIL MI&A

Key long-term drivers

- Increase in drinking population: 15% of Indian population entered the age group of 14-24 years in fiscal 2024, which is expected to drive consumption
- Steady taxes: No abnormal hikes in duties from key consuming states
- Exit from low-end IMFL brands and shift towards premium brands, led by top players
- Gradual shift from country liquor to IMFL
- No sudden supply disruptions in any state

However, given the complex tax structure and political intervention through regulations, a sharp uptick in demand is not expected in any state. Simultaneously, the government's dependence on the liquor business as a major revenue source lowers the risk of an absolute ban in most states. Also, the strategy of all players to focus on premium products, either by increasing the number of premium brands or lowering the number of low-end brands, will support long-term growth.'

Key financial indicators of IMFL players

- ROCE is expected increase in fiscal 2025 in line with EBITDA margins
- Increased demand is expected to lead to higher capacity utilisations resulting in a higher asset turnover for both IMFL and beer players in fiscal 2025
- Debtor days and inventory days would fall as sales pick up; Creditor days to remain rangebound with improve supply of raw materials, increasing the bargaining power of alcohol manufacturers for fiscal 2025

Overview of infrastructure industry in India

Roads

Policy push aimed at improving private participation in national highways

The following are the recent policy changes that the MoRTH and NHAI have undertaken to improve private participation in the sector and increase competition (more details in National Highway and Competition chapters):

- Technical and financial bidder eligibility criteria reduced for HAM and EPC projects, which would promote the entry of smaller players
- Changes in the hybrid-annuity model (HAM) concession agreement aimed at protecting developers' returns and easing their cash flows during the construction period
- Changes in the Build-Operate-Toll (BOT) concession agreement to reinstate developer interest in the model

Apart from this, the government has taken various steps under the Atmanirbhar package to mitigate the impact of Covid-19 on the sector:

- Extension of time (EOT) of up to 3-6 months for all projects and relaxation of milestone achievement
- Monthly payment mechanism, instead of milestone-based payments
- Reduction in performance security from 5% to 3%, release of retention money to the extent of work done
- Additionally, Covid-19 emergency loan facilities and moratorium on loan repayment up to August 2020
- Extension of concession period for BOT-toll operators, due to toll suspension and restriction in movement during lockdowns

NHAI awarding to revive in fiscal 2025, share of BOT to increase substantially

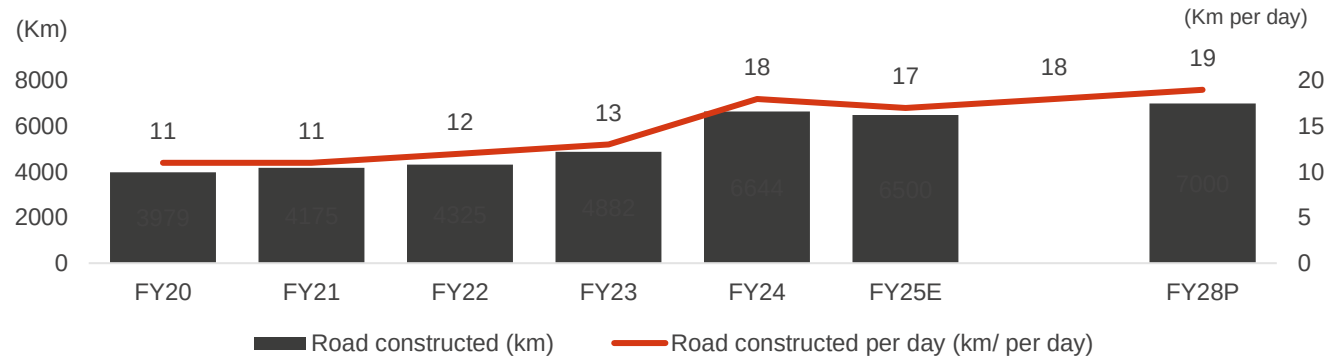
National Highways Authority of India (NHAI) awarding hads witnessed a rise from merely 2,222 km in fiscal 2019 to 6,003 km in fiscal 2023. Favorable changes in the BOT and HAM agreements, and relaxation of bidder eligibility criteria not only indicated a clear policy shift to improve private-sector participation but also aided the spurt in the HAM awards. In fiscal 2023, NHAI's awarding volume remained above the 6,000 km mark for the second consecutive year as 6,003 km was awarded during the fiscal year. The share of HAM in awarding increased slightly from 54% in fiscal 2022 to 56% in fiscal 2023. On the other hand, the share of EPC remained unchanged at 43%. However, in fiscal 2024, awarding momentum was marred by various roadblocks.

NHAI execution is also rising steadily with focus on swifter execution

Even though overall national highways construction at the MoRTH level had remained flattish in fiscals 2022 and 2023, NHAI execution witnessed strong momentum. NHAI execution sequentially rose from 4,175 km in fiscal 2021 to 4,882 km in fiscal 2023.

Acceleration in project awards, sharper focus on resolving land acquisition issues, and the 'Atmanirbhar Bharat' initiatives to ease liquidity (monthly milestone payments, release of retention money, reduction in performance security & extension of 3-6 months in milestones & SCODs) for EPC road players augured well for the pace of execution of NHAI projects.

Trend in road construction



Note: E: Estimated, P: Projected; Source: NHAI, Industry, CRISIL MI&A

Bharatmala phase-1 awarding focused on expressways; likely to stretch till fiscal 2025

Bharatmala Pariyojana is an umbrella project of the central government since 2015, that aims to improve efficiency in the roads sector. It is expected to supersede the National Highways Development Project (NHDP) and envisages the construction of 65,000 km of highways under the following categories: national corridor (north-south, east-west, and golden quadrilateral), economic corridor, inter-corridor roads, and feeder roads. As per the ministry, Bharatmala, along with the schemes currently undertaken, could require a total outlay of Rs 6.9 trillion.

Phase-I of the scheme envisages development of about 24,800 km length of national highways/roads, plus residual 10,000 km of NHDP between fiscals 2018 and 2022. Awarding under Bharatmala has begun from fiscal 2018 and we believe it will stretch till fiscal 2025 for Phase 1.

Housing

Strong Demand growth expected to persist after robust growth in the past two years

Sustained economic growth and the continuation of hybrid working mode have helped maintain consistent demand, leading to an expected growth of 10-12% in FY25. This demand traction is primarily attributed to the shifting preference for larger living spaces. As the industry consolidates, residential developments are being executed by a handful of large developers who have successfully navigated the economic challenges posed by the pandemic. Therefore, the residential market is set to embark on a promising growth trajectory.

Reputed developers set to expand their presence in newer geographies, poised to double market share

Large developers have significantly increased their market share over the past few fiscal years, driven by consumers' preference for reputable names, known for quality and timely completions. This fiscal, their market share is projected to double to 30-32%* compared to fiscal 2019. These established developers are expected to enter new markets with strategic land acquisitions in prime locations and in growth corridors across cities to strengthen their portfolios and expand their market presence, supported by improved liquidity and better access to capital.

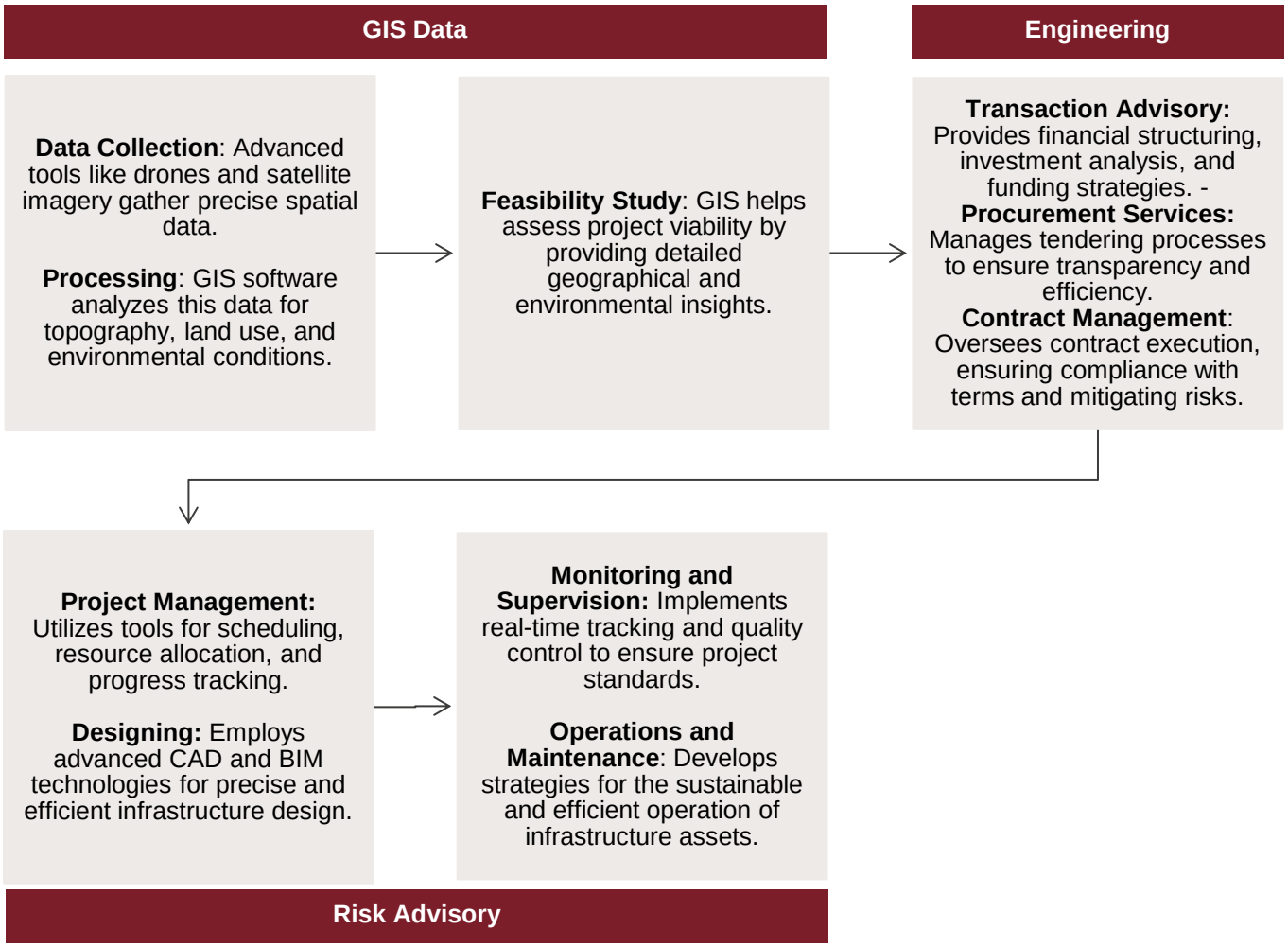
(*Market share of top 11 developers)

The positive trend persisted in FY24, registering a significant 16% Y-o-Y increase. With favorable unsold inventory levels amid strong demand, developers aggressively launched new projects, the highest in the past five years. In the current fiscal 2025, new launches will be closely aligned with incremental demand, preventing a drastic reduction in inventory levels.

Infrastructure consulting evolution

The infrastructure consulting sector in India is experiencing rapid growth, driven by the country's ambitious development plans and increasing urbanization. Key projects such as the Smart Cities Mission, Bharatmala, and

Sagarmala are propelling demand for expert consulting services in planning, designing, and managing complex infrastructure projects. Indian firms are leveraging advanced technologies like GIS, Building Information Modeling (BIM), and IoT to enhance project efficiency and sustainability. Additionally, government initiatives and public-private partnerships are fostering a conducive environment for infrastructure development, making the consulting space a crucial contributor to India's economic growth and modernization efforts.



Ports

Traffic growth at Indian ports to moderate to 3-5% growth in fiscal 2025

As per CRISIL MI&A estimates, port traffic is expected to grow by 3-5% in fiscal 2025, after growing by an estimated 7.5% in fiscal 2024. The growth in fiscal 2024 was primarily driven by the robust growth in iron ore traffic on the back of higher exports to China, after withdrawal of export duties imposed in the previous fiscal. Consequently, Iron ore traffic grew by 34% in fiscal 2024. On the other hand, Lower container prices and base level effect led to container traffic to revive back to 11% growth in fiscal 2024 after a muted growth of 2% in fiscal 2023 due to macroeconomic headwinds. After witnessing a high demand in fiscal 2023, which led to a robust growth in thermal coal imports, the growth in coal traffic in fiscal 2024 saw a fall to 9%, mainly in account of increased domestic production and steady shift to renewable energy source.

In fiscal 2025, the growth in port traffic is expected to moderate to 3-5%. After a sharp rise in fiscal 2024, iron ore exports are expected to witness a moderate growth of 3-5% in fiscal 2025 leading to 6-8% growth in iron ore traffic in fiscal 2025. Similarly, container traffic is also expected to be slightly lower at 8-10% in fiscal 2025 due to moderation in traffic growth. The growth in POL traffic would be subdued at 2-5% while change in coal traffic is likely to be in the range of -4 to -2% due to sharply lower imports.

Over fiscals 2026-2028, growth at Indian ports is expected to be at 3-7%. However, tapering growth in Coal and POL (Petroleum Oil and Lubricants) segment, led by slower consumption in crude oil and import substitution of coal along with plateauing of iron ore exports is expected to moderate cargo traffic over long term.

Major Port Bill aimed at making Major Ports more attractive

The Major Port Authority Bill, 2020 was passed by the cabinet in Sept 2020 - providing autonomy to the 12 Major ports India to improve their efficiency and competitiveness. The bill allowed Creation of Board of Major ports authority replacing the existing port trusts:

- For PPP projects, ie projects taken up through a concession, the Board may fix the tariff for bidding purpose.
- PPP operators would be free to fix actual tariffs based on market conditions and other notified conditions of contract.

Almondz Group – Company structure

Avonmore Capital & Management Services Limited
ACMS is the core Investment holding company of the Almondz group. At ACMS, company plan to identify & invest in business that can grow over long-time horizons ad produce long term value.

↓

Almondz Global Securities Limited
Almondz Global Securities Limited, a listed company, is a financial services provider since 1994 which offers depository participant services, wealth management advisory and equity broking services.

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Almondz Global-Infra Consultant Limited
Almondz Global Infra – Consultant Limited (AGICL) is a Public Limited Company and Wholly Owned Subsidiary of Almondz Global Securities Limited (AGSL). AGICL provides professional advisory and consultancy services in the areas of management, engineering, industrial, technical, and financial for all Infrastructure Sectors.

Almondz Financial Services Limited
Almondz Financial Services Limited (AFSL) wholly owned subsidiary of Almondz Global Securities Ltd., is a SEBI registered Merchant Banker. AFSL is a SEBI Registered Merchant Banker, Research Analyst and Portfolio Management Services provider.

Other Subsidiaries

1. Almondz Finanz Limited (Subsidiary of ACMS)
2. Skiffle Heathcare Services Limited (Subsidiary of AGSL)
3. North Square Projects Private Limited (Subsidiary of AGSL)
4. Almondz Commodities Private Limited (Subsidiary of AGSL)

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Premier Green Innovations Private Limited
PGIPL, formerly known as Premier Alcobev Private Limited (PAPL), is a Joint venture of North square projects (wholly owned subsidiary of AGSL), is a manufacturer of beverage alcohol, ethanol, and Extra neutral alcohol (ENA) in India.

Financial projection of Premier Green Innovations Pvt Ltd

About the company

Established in 2015, PGIPL, Joint venture of wholly owned subsidiary, is a manufacturer of beverage alcohol, ethanol, and Extra neutral alcohol (ENA) in India. The company operates a modern distillery in Himachal Pradesh, producing spirits for Indian made foreign liquor (IMFL) and in-house Indian made Indian liquor (IMIL) brands.

The HP facility's strategic location offers logistical benefits, facilitating distribution throughout northern India. Currently, PGICL is expanding with a new facility in Odisha, aligning with the Indian government's ethanol blending program.

Projection of the company's revenue

Growth drivers for each segment

Particulars	Industry growth driver	Projected CAGR FY25-27
Ethanol	• **Government policies & mandate:** Various countries, including the US, Brazil, & India, have policies promoting ethanol blending in gasoline to reduce carbon emissions. • **Agricultural support:** Ethanol production provides a market for surplus agricultural produce, especially sugarcane. • **Incentive schemes:** Various government incentive schemes are going on to promote production of ethanol.	8-10%
ENA	• **Pharma industry growth:** Rising demand for medicines, vaccines and sanitizers boosts the need for high-purity alcohol like ENA. • **Regulatory approvals:** Increasing approvals for alcohol-based pharma products expand market opportunities. • **Health & hygiene awareness:** Post pandemic there is heightened awareness and demand for hygiene products, including sanitizers, which use ENA.	*4-5%*
IMFL	• **Rising disposable income:** Increasing income levels and changing lifestyles in India lead to higher consumption of premium alcoholic beverage. • **Urbanization:** Urban centers with a higher propensity for social drinking drive demand for IMFL. • **Increase in drinking population:** 15% of Indian population entered the age group of 14-24 years in fiscal 2024, which is expected to drive consumption. • **Changing consumer preference:** Shift from traditional beverage to more sophisticated and varied options among younger consumers boosts IMFL sales. • **Steady taxes:** No abnormal hikes in duties from key consuming states.	*4-5%*

Source: Company reports, CRISIL MI&A Research

Setting up new factories for increasing production of ethanol

The company has recently expanded its current manufacturing capacity in Sansarpur, Himachal Pradesh to 285 KLPD. Currently the company is the biggest supplier of Ethanol in the state of HP and aiming to maintain this position by augmenting its capacity in line with the requirement of the government set up in EBP target. The company is also planning to set up another manufacturing unit in Odissa, with capacity of 200 KLPD, with a total project cost of Rs. 280 crores, the financial closure of which has been completed and the construction started. The company expects to commence production in Odissa during 2025-26.

Capacity utilisation rate

Himachal Pradesh

From Yr	Utilisation Rt	Ref. Yr
0	75%	2023
1	90%	2024
2	95%	2025

Odisha

From Yr	Utilisation Rt	Ref. Yr
0	75%	2025
1	90%	2026
2	95%	2027

Projections – Income Statement

Year	2022A	2023A	2024A	2025P	2026P	2027P	2028P	2029P
Gross Sales (Gross of excise)	254.12	271.14	340.77	724.83	1095.54	1190.85	1217.13	1218.03
Other Income	0.36	0.96	(5.81)	0.60	0.60	0.60	0.60	0.60
Total Revenue	**254.48**	**272.10**	**334.96**	**725.43**	**1096.14**	**1191.45**	**1217.73**	**1218.63**
Cost of Production	**0.64**	**0.68**	**-**	**0.82**	**0.84**	**0.83**	**0.83**	**0.83**
Raw Material Consumed	130.65	149.33	-	528.88	817.72	875.49	894.75	894.75
Chemical Cost & Others	4.29	5.46	-	12.94	19.87	21.26	21.72	21.72
Fuel Cost	19.40	24.36	-	51.77	81.72	87.71	89.71	89.71
Packing Material	7.98	6.40	-	4.00	5.00	6.00	6.00	6.00
Excise Duty	11.98	9.42	-	2.82	2.97	3.13	3.30	3.48
Wages/ Other Direct Expenses	13.46	13.63	-	20.00	26.00	26.00	26.00	26.00
Electricity Exp	2.02	1.76	-	0.00	0.00	0.00	0.00	0.00
Depreciation	5.13	5.30	7.03	15.47	30.78	30.78	30.78	30.78
Total Cost of Production	**194.92**	**215.66**	**306.88**	**635.89**	**984.07**	**1050.37**	**1072.26**	**1072.43**
Add Opening stocks in process	1.82	1.36	-	3.50	4.75	4.75	4.75	4.75
Sub Total	196.75	217.03	-	639.39	988.82	1055.12	1077.01	1077.18
Deduct: Closing stocks in process	1.36	2.38	-	4.75	4.75	4.75	4.75	4.75
Cost of Production	195.39	214.65	-	634.64	984.07	1050.37	1072.26	1072.43
Add: Opening stock of Finished Goods	1.07	2.42	-	4.65	10.00	26.00	28.00	30.00
Sub - Total	196.46	217.07	-	639.29	994.07	1076.37	1100.26	1102.43
Less:Closing stock of Fin. Goods	2.42	1.09	-	10.00	26.00	28.00	30.00	30.00
Total Cost of Sales	**194.03**	**215.98**	**306.88**	**629.29**	**968.07**	**1048.37**	**1070.26**	**1072.43**
Selling, General & admin exp.	18.25	20.49	-	28.00	28.00	28.00	28.00	28.00
EBIT	**42.20**	**35.64**	**28.08**	**68.15**	**100.07**	**115.08**	**119.47**	**118.20**
Finance Cost								
Interest on Term Loan	2.00	1.78	2.99	5.28	13.83	12.26	10.58	8.87
Interest On Working Capital	0.58	1.23	3.76	6.75	6.75	6.75	6.75	6.75
Others	0.54	0.98	-	1.50	1.50	1.50	1.50	1.50
Profit Before Tax	**39.08**	**31.65**	**21.33**	**54.62**	**77.98**	**94.57**	**100.64**	**101.08**
Tax	9.93	7.01	3.91	10.34	12.11	18.52	21.75	23.57

Profit After Tax	**29.15**	**24.64**	**17.42**	**44.28**	**65.88**	**76.05**	**78.89**	**77.51**

Note: Amount in INR Crs; A- Actuals P- Projected;
Source: Projections as provided by the company

Projections – Balance Sheet

Particulars	2022A	2023A	2024A	2025P	2026P	2027P	2028P	2029P
Share Capital	28.98	29.71	31.27	33.02	33.02	33.02	33.02	33.02
Reserves	73.96	107.89	146.46	213.99	279.86	355.91	434.80	512.31
Share Warrant Money	0.00	0.00	19.00	3.36	3.36	3.36	3.36	3.36
Term Loan	13.36	74.02	94.91	276.19	241.67	206.35	169.03	140.00
Unsecured Loan	6.00	6.00	6.00	18.37	14.37	6.00	6.00	6.00
Deferred Tax Liability	3.55	3.81	3.81	3.81	3.81	3.81	3.81	3.81
Other Long Term Liabilites	8.55	10.39	13.00	13.00	13.00	13.00	13.00	13.00
Current Liability								
Working Capital Loan	13.15	17.69	38.21	75.00	75.00	75.00	75.00	75.00
Sundry Creditors	10.15	12.70	22.00	44.00	43.88	48.16	49.89	52.13
Other Current Liabilites	6.25	13.94	10.00	10.00	10.00	5.00	5.00	5.00
Term Loans instalment due within one year	10.80	16.74	23.95	28.72	34.52	35.32	37.32	29.03
Sub Total	**40.35**	**61.06**	**94.16**	**157.72**	**163.40**	**163.48**	**167.21**	**161.16**
Total	**174.74**	**292.88**	**408.61**	**719.45**	**752.49**	**784.93**	**830.23**	**872.66**
Gross Block Including work in progress	112.07	114.61	280.36	550.36	550.36	550.36	550.36	550.36
Depreciation	15.50	20.25	28.83	44.30	75.08	105.86	136.64	167.42
Net Block	**96.57**	**94.37**	**251.54**	**506.06**	**475.28**	**444.50**	**413.72**	**382.94**
CWIP	4.04	99.73	13.30	-	-	-	-	-
Other Long-Term Assets	5.90	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Capital Advances	20.95	14.75	-	-	-	-	-	-
Current Asset								
Inventory	9.93	22.50	49.00	80.75	109.92	117.58	124.24	130.33
Sundry Debtors	23.07	25.97	55.00	72.09	81.16	87.26	89.02	92.23
Other Current Assets	2.85	18.55	20.00	30.00	30.00	30.00	30.00	30.00
Sub Total	**35.85**	**67.03**	**124.00**	**182.84**	**221.08**	**234.83**	**243.26**	**252.56**
Cash and Bank Balance	11.43	9.14	11.91	22.69	48.26	97.74	165.39	229.30
Total	**174.74**	**292.88**	**408.61**	**719.45**	**752.48**	**784.93**	**830.23**	**872.66**

Note: Amount in INR Crs; A- Actuals P- Projected
Source: Projections as provided by company

Financial projection of Almondz Global Infra-Consultant Ltd

About the company

AGICL provides Consultancy Services in multiple infrastructure sectors especially in Roads, Bridges, Highways & Tunnels, Smart Cities, Urban Infrastructure, Water & Wastewater, Tourism, Railways & Metro Rail, Ports & Inland Waterways & Airport. AGICL has been providing services from concept to commissioning like project concept Development, Project structuring, Transaction Advisory Planning, Designing, Engineering, Project Management Consultancy, Supervision as well as Independent Engineers, safety audits and Operation & Maintenance Services, which has helped AGICL to establish itself as one of the fastest growing Infra consultancy company in the Country.

Projection of the company's revenue

To project the company's revenue, CRISIL MI&A has considered the past growth and future growth prospects of the company. Future growth projections have been taken by considering CRISIL MI&A's internal research team, secondary sources, and the management's commentary on the near future growth.

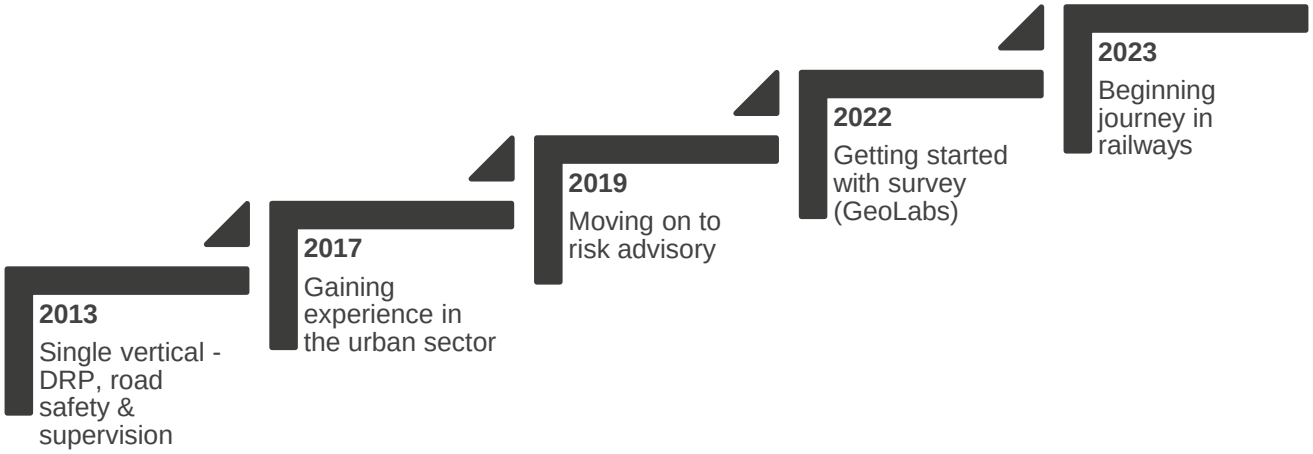
Particulars	2024A	2025P	2026P	2027P	2028P	2029P
Net Revenue	**72.71**	**125.40**	**212.95**	**266.18**	**332.69**	**415.84**
Professional fees	72.39	125.23	212.89	266.11	332.64	415.80
Hiring of machinery	0.17	0.06	0.07	0.05	0.03	0.17

Amount in INR Crs otherwise mentioned; Exclusive of other revenues; A- Actuals P- Projected
Source: Projection as provided by the company

Growth drivers for infra-consulting

- **Urbanization:** Rapid urbanization increases the demand for infrastructure projects, including transportation, housing, utilities, and commercial spaces, necessitating expert consulting services.
- **Government initiatives:** Government policies and programs aimed at infrastructure development, such as smart cities initiatives, highway expansions, and rural electrification, drive the need for specialized consulting services.
- **Public-private partnership:** The rise of PPPs in infrastructure projects creates opportunities for consulting firms to provide expertise in project planning, management, and execution.
- **Sustainability and Green infrastructure:** Growng focus on sustainable development and green projects drives demand for consulting that specializes in environmentally friendly and energy efficient solutions.
- **Technological advancements:** Integration of advanced technologies like building information modelling (BIM), Geographic information system (GIS), and smart infrastructure systems require specialized expertise.
- **Economic growth:** Economic expansion by both public and private sectors, boosting demand.
- **Aging infrastructure:** The need to upgrade and maintain aging infra creates continuous demand for expert assessment & planning.
- **Risk management:** Infra projects often face various risks, including financial, environmental, and operational. These firms provide risk assessment and management services to mitigate these challenges.

Evolution of the company



Source: As provided by the company, CRISIL MI&A

Wide spectrum of offering services

Mapping	Ability to update maps on a large scale using technology
Positioning	Increasing the deliverability & reliability of position & timing information
Earth observation	High-resolution panchromatic Multispectral remote sensing data with quick turn-around time
Geodetic reference system	Uniquely referencing spatial information as set of coordinates Based on geodetic horizontal & vertical datum
Thematic geospatial data themes	Digital spatial information Associated datasets that are documented, verifiable & officially designated
Surveying	Condition & engineering survey, geomatics engineering survey, topography survey, cadastral mapping survey
GIS	Integrated platform to store, manage, analyse, edit, output & visualise geospatial data
Geospatial Analytics	Collection of data achieved through geospatial analysis combined with heightened visual approach
Measurement	Highly accurate GIS technology based measurement
Navigation	Location information through remote sensing technologies such as satellites aerial photography, ground-based sensors

Source: As provided by the company, CRISIL MI&A

Projections – Income Statement

Particulars	2024P	2025E	2026E	2027E	2028E	2029E
Revenue from operations	72.56	125.23	212.89	266.11	332.64	415.80
Other Income	0.15	0.17	0.06	0.07	0.05	0.03
Total	**72.71**	**125.40**	**212.95**	**266.18**	**332.69**	**415.84**
Increase in Revenue		*76%*	*70%*	*25%*	*25%*	*25%*
Operating Expense						
Employee Benefit Expense	13.76	26.30	44.71	55.89	69.86	87.32
Other Expense - SG&A	51.63	78.68	131.93	161.71	199.28	241.12
Total	65.39	104.98	176.64	217.60	269.13	328.44
EBITDA	**7.33**	**20.42**	**36.30**	**48.59**	**63.56**	**87.39**
As % of Revenue	*12.00%*	*16.30%*	*17.05%*	*18.26%*	*19.11%*	*21.02%*
Depreciation/Amortization	1.25	1.33	2.07	2.19	1.96	1.77
Finance Cost	1.18	2.43	4.70	2.10	1.97	1.61
PBT	**4.89**	**16.66**	**29.54**	**44.30**	**59.63**	**84.01**
Taxes @ 25.17%	1.20	4.19	7.43	11.15	15.01	21.14
Net PAT	**3.69**	**12.47**	**22.10**	**33.15**	**44.62**	**62.86**

Amount in INR Crs otherwise mentioned; A- Actuals P- Projected
Source: Projections as provided by company

Projections – Balance Sheet

Particulars	2024A	2025P	2026P	2027P	2028P	2029P
Non-Current Assets						
PPE	7.84	14.46	18.19	16.55	15.11	13.77
CWIP	0.14	0.14	0.14	0.14	0.14	0.14
Current Assets						
Trade Receivables	22.55	39.88	67.79	84.74	105.93	132.41
Other Advances	12.23	21.62	31.66	37.48	45.64	60.13
Cash & Bank Balance	6.96	6.58	11.71	25.80	42.24	85.25
Total	**49.71**	**82.68**	**129.49**	**164.71**	**209.06**	**291.71**
Equity and Liabilities						
Equity share capital	12.60	12.60	1.26	12.60	1.26	12.60
Reserve & Surplus	10.70	22.90	44.31	76.42	119.74	180.88
Shareholders fund	**23.30**	**35.51**	**45.57**	**89.02**	**121.00**	**193.48**
Non-Current Liability						
Borrowings	6.79	12.47	17.87	16.11	15.00	9.15
	6.79	**12.47**	**17.87**	**16.11**	**15.00**	**9.15**
Current Liabilities						
Other Current Liabilities	17.70	29.79	57.37	46.70	55.91	65.16
Provisions	1.93	4.91	8.69	12.87	17.14	23.91
	19.63	**34.70**	**66.05**	**59.57**	**73.06**	**89.07**
Total	**49.71**	**82.68**	**129.49**	**164.71**	**209.06**	**291.71**

Amount in INR Crs otherwise mentioned; A- Actuals P- Projected
Source: Projections as provided by company

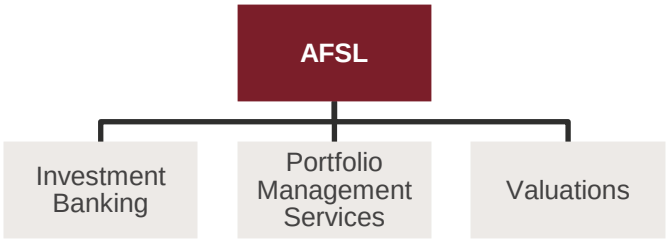
Financial projection of Almondz Financial Services Ltd

About the company

Almondz Financial Services Limited (AFSL) is a SEBI Registered Merchant Banker, Research Analyst and hold registration for Portfolio Management Services.

The parent company, Almondz Global Securities Limited (AGSL), has been a leading advisory and consultancy firm since 1994. It has recently restructured, transferring its Capital Market Division to AFSL.

Different revenue segments of AFSL



1) Investment Banking

Almondz provides comprehensive capital raising advisory services tailored to meet the dynamic needs of businesses. Leveraging extensive fundraising and operational experience, the Almondz team employs an entrepreneurial mindset to secure favorable growth capital financing solutions without significant ownership dilution for business owners. Their successful track record in raising debt, equity, and convertible financial instruments is supported by long-term relationships with private equity firms and financial institutions, ensuring competitive financial costs.

2) Valuation Services

Almondz offers precise and integrated valuation consultancy, combining data-driven insights and industry expertise. Their comprehensive business valuation approach considers all operational and financial aspects, enabling them to deliver consistent and objective valuations for a variety of purposes including financial reporting, regulatory compliance, investment decisions, and risk management.

3) Portfolio Management Services

Almondz Financial Services Limited received registration as PMS in February 2024. It proposes to offer expert investment management for both individual and ultra HNI clients, tailored to meet specific investment goals. PMS includes discretionary services, where portfolio managers make investment decisions on behalf of clients, and non-discretionary services, where clients receive advice but retain decision-making control.

4) Research Analyst

Almondz Financial Services Limited is a SEBI-registered research analyst firm with a team of skilled professionals dedicated to stock market research. The team provides comprehensive services, including investment summaries, IPO research, mutual fund analysis, stock valuations, outlook assessments, and buy-sell recommendations.

Projection of the company's revenue

To project the company's revenue, CRISIL MI&A has considered the past growth and future growth prospects of the company. Future growth projections have been taken by considering CRISIL MI&A's internal research team, secondary sources, and the management's commentary on the near future growth.

Particulars	2022 A	2023 A	2024 A	2025 P	2026 P	2027 P	2028 P	2029 P
Net Revenue			3.71	18.75	35.21	52.72	78.74	104.06
Revenue From IB Business			3.71	17.25	31.65	47.51	71.88	95.55

PMS			-	1.50	3.56	5.21	6.86	8.51

Amount in INR Crs otherwise mentioned A- Actuals P- Projected
Source: Projections as provided by the company

Growth drivers for each segment

Particulars	Industry growth driver
Investment Banking	• **Economic growth & Market conditions:** A stable growing economy & favorable market conditions lead to increased capital raising, M&A activities, and financial transactions. • **Private equity & venture capital activity:** A rise in private equity and venture capital investments boosts the demand for advisory services related to fundraising, deal structuring, and exit strategies. • **Globalization & Cross border transactions:** Increasing globalization drives the need for cross-border M&A, international capital raising, & other advisory services, expanding the market for investment banks.
PMS	• **Wealth creation & Rising affluence:** An increase in the number of high-net-worth individuals (HNWIs) and overall growth in personal wealth drive the demand for customized portfolio management services. • **Market volatility & Risk management:** In volatile markets, investors seek professional management to mitigate risks & optimize returns. • **Financial literacy & awareness:** Growing awareness about the benefits of professional asset management & increasing financial literacy among investors drive the adoption of PMS. • **Diverse investment products:** The availability of a wide range of investment products & asset classes, including mutual funds, ETFs, bonds, and alternative investments, enhances the appeal of PMS by offering tailored solutions to meet varied investment goals and risk profiles.

Source: Company reports, CRISIL MI&A

Projections – Income Statement

Particulars	2024A	2025P	2026P	2027P	2028P	2029P
Revenue From IB Business	3.71	17.25	31.65	47.51	71.88	95.55
PMS	-	1.50	3.56	5.21	6.86	8.51
Total Revenue from Operations (A)	**3.71**	**18.75**	**35.21**	**52.72**	**78.74**	**104.06**
Employee Benefit Expenses	0.40	6.29	10.79	15.57	22.46	28.92
Commission fee/ Pay Outs	0.40	2.59	4.75	7.13	10.78	14.33
Distribution Cost (PMS)	-	0.45	1.00	1.50	2.00	2.50
Direct & Indirect Expenses	2.50	4.60	7.29	10.55	15.52	20.36
Total Operating Expenses (B)	3.30	13.93	23.83	34.74	50.76	66.11
EBITDA (A-B)	0.41	4.82	11.39	17.98	27.98	37.95
EBITDA (%)		25.72%	32.34%	34.10%	35.53%	36.47%
Less: Depreciation	0.20	0.23	0.27	0.20	0.22	0.21
EBIT	0.21	4.59	11.12	17.78	27.76	37.74
EBIT (%)		24.48%	31.58%	33.73%	35.25%	36.27%
Less: Finance Cost	-	-	-	-	-	-
EBT	0.21	4.59	11.12	17.78	27.76	37.74
EBT (%)		24.48%	31.58%	33.73%	35.25%	36.27%
Less: Taxes	0.03	1.16	2.82	4.48	7.00	9.51
PAT	**0.17**	**3.43**	**8.30**	**13.30**	**20.76**	**28.23**
PAT (%)		18.30%	23.58%	25.23%	26.36%	27.13%

Amount in INR Crs otherwise mentioned; A- Actuals P- Projected
Source: Projections as provided by the company

Projections – Balance Sheet

Particulars	2024A	2025P	2026P	2027P	2028P	2029P
EQUITY AND LIABILITIES						
(1) Shareholder's fund						
a) Share capital	1.97	1.97	1.97	1.97	1.97	1.97
b) Securities Premium	10.61	13.89	18.91	27.19	39.67	55.42
c) Retained Earnings						
	12.58	15.86	20.88	29.16	41.64	57.39
(2) Non-current liabilities						
a) Other Non-Financial Liabilities	0.70	0.47	0.23	0.70	0.47	0.23
b) Long-term provisions	0.52	8.25	14.16	20.43	29.47	37.94
	1.23	8.72	14.39	21.13	29.94	38.18
(3) Current liabilities						
a) Short-term borrowings	0.00	0.00	0.00	0.00	0.00	0.00
b) Trade payables	0.01	0.19	0.30	0.43	0.64	0.84
b) Other Payables (Other Financial Liabilities)	0.98	0.65	0.33	0.98	0.65	0.33
c) Other current liabilities	0.13	0.71	1.32	1.97	2.93	3.86
d) Short-term provisions	0.02	0.26	0.45	0.65	0.94	1.21
	1.13	1.82	2.40	4.04	5.17	6.24
TOTAL	**14.93**	**26.40**	**37.67**	**54.33**	**76.74**	**101.81**
ASSETS						
(1) Non-current assets						
a) Fixed assets						
i) Tangible assets	0.81	0.64	0.47	0.38	0.31	0.27
ii) Right to Use	0.67	0.45	0.22	0.67	0.45	0.22
b) Deferred tax assets (net)	0.07	0.33	0.62	0.93	1.38	1.83
c) Long-term loans and advances	0.00	0.00	0.00	0.00	0.00	0.00
d) Non-Current Assets	7.74	7.74	7.74	7.74	7.74	7.74
	9.28	9.15	9.05	9.71	9.88	10.06
(2) Current assets						
a) Trade receivables	0.58	0.71	1.30	1.95	2.95	3.93
b) Cash and cash equivalents	2.23	2.14	0.28	2.18	3.45	7.92
c) Short-term loans and advances	0.63	3.16	5.94	8.89	13.28	17.55
d) Other financial assets	0.68	3.44	6.46	9.67	14.45	19.10
e) Current Tax Assets (Net)	0.07	0.34	0.64	0.96	1.43	1.89
f) Other current assets	1.48	7.46	14.00	20.96	31.31	41.38
	5.66	17.25	28.62	44.62	66.87	91.76
TOTAL	**14.93**	**26.40**	**37.67**	**54.33**	**76.74**	**101.81**

Amount in INR Crs otherwise mentioned; A- Actuals P- Projected
Source: Projection as provided by the company

Financial projection of Almondz Global Securities Ltd

About the company

AGSL, established in 1994, is a comprehensive financial services provider-based company. The company offers a wide range of services including depository participant services, wealth management advisory, and equity broking. Recently, the company has disinvested their wealth management and investment banking rm to a new company, AFSL. It is a member of NSE, BSE, and CDSL. AGSL is known for its robust consultancy and financial advisory services, assisting businesses in strategic growth & development.

Projection of the company's revenue

To project the company's revenue, CRISIL MI&A has considered the past growth and future growth prospects of the company. Future growth projections have been taken by considering CRISIL MI&A's internal research team, secondary sources, and the management's commentary on the near future growth.

Particulars	2022A	2023A	2024A	2025P	2026P	2027P	2028P	2029P
Net Revenue			**14.48**	**36.42**	**56.61**	**89.52**	**125.34**	**175.94**
Brokerage			9.00	25.20	37.80	56.70	76.55	103.34
Others/ Distribution			5.48	11.22	18.81	32.82	48.79	72.60

A- Actuals P- Projected Note: Other segments like wealth management & consultancy services have not been considered in calculation of historical revenue.
Amount in INR Crs otherwise mentioned; Source: Projections as provided by the company

Growth Drivers for broking industry

- **Demographics profile to aid folio growth in capital markets**

As of calendar year 2022, India has one of the largest young populations in the world, with a median age of 28 years. Of India's population, more than 60% is in the working age group, which is 19-59 years of age, and is expected to remain above 60% for one more decade. CRISIL MI&A estimates that approximately 90% of Indians are still below the age of 60 in calendar year 2021 and that 63% of them are between 15 and 59 years. In comparison, in calendar year 2020, the United States (US), China and Brazil had 77%, 83% and 86%, respectively, of their population below the age of 60.

- **Riding the digital wave – growth of new age fin-tech brokers or discount brokers and increasing mobile penetration to drive retail participation**

Rising financial literacy of India's young population (expecting to form a majority of the incremental clients for the brokers), coupled with their technological proficiency, almost zero brokerage feature and comfort of transacting through digital platforms is expected to further supplement the strong impact that technology has on the retail investors thereby enabling them to increase participation in the markets.

- **Preference for do-it yourself (DIY) models and higher risk-taking ability of Millennials aiding growth especially for Low-Cost Digital Only Discount Brokers**

Technology savvy millennials prefer do-it-yourself models where the broker provides minimal services on Research and Advisory side but provide robust technology platform to execute trades. Further, the young population are not only restricted to the cash segment but also trade in the equity derivatives segment. The ease of execution of trades across segments using mobile apps, coupled with rising income levels of individuals and lower option premium per contract has further pushed the growth in the equity derivatives turnover, led by options segment, for Discount Brokers.

- **Increasing awareness about capital markets and growing market penetration among the population to aid Industry Growth**

Indian capital market's penetration is low at ~9.83% with 139.30 demat accounts as of December 2023. The total demat accounts increased from 21.84 million in March 2014 to 114.46 million in March 2023 growing at 20.21% CAGR during the period. The demat growth suggests the increasing awareness and willingness of the people to participate in capital markets for either trading or with long-term outlook.

- **Capital markets to remain an attractive part of financial savings**

Between fiscal 2012 and fiscal 2023, the net financial savings increased at a CAGR of approximately 7.5%. Household savings in physical assets declined from 67.0% in fiscal 2012 to 62.6% in fiscal 2022. During the same period, net financial savings grew from 31.0% to 36.1%. Due to an increase in financial literacy and awareness, the relative outperformance of financial assets over recent years and the Indian government's efforts to fight the shadow economy, CRISIL MI&A expects the share of financial assets as a proportion of net household savings to increase over the next five years. The rise in financial assets is expected to further boost the broking industry.

Projections – Income Statement

Particulars	2024A	2025P	2026P	2027P	2028P	2029P
Total Revenue	**37.26**	**36.42**	**56.61**	**89.52**	**125.34**	**175.94**
Employee Salary Benefits	13.06	16.44	21.22	26.42	31.68	38.07
Direct Expenses (Payouts, Incentive, Rentals, Electricity etc.)	9.40	12.61	20.27	31.94	44.92	63.67
Indirect Expenses (Backoffice Support Including IT, HR, Marketing)	6.71	3.58	4.72	6.18	6.27	7.25
Total Expenses	29.17	32.63	46.21	64.54	82.87	108.99
EBITDA	8.08	3.79	10.40	24.98	42.47	66.95
EBITDA (%)	21.68%	10.40%	18.37%	27.90%	33.88%	38.05%
Less: Depreciation	1.24	1.07	1.11	1.09	1.09	1.09
EBIT	6.84	2.71	9.28	23.89	41.38	65.86
EBIT (%)	18.35%	7.45%	16.40%	26.68%	33.02%	37.44%
Less: Finance Cost	0.92	0.04	0.04	0.04	0.05	0.05
EBT	21.66	2.68	9.24	23.84	41.33	65.81
Less: Tax	0.54	0.67	2.33	6.00	10.40	16.56
PAT	**21.12**	**2.00**	**6.92**	**17.84**	**30.93**	**49.25**

Amount in INR Crs otherwise mentioned; Note: Exceptional items worth 15.75 Crs including in PBT in FY24; A- Actuals P- Projected
Source: Projections as provided by the company

Projections – Balance Sheet

Particulars	2023A	2024A	2025P	2026P	2027P	2028P	2029P
Financial assets							
Cash and cash equivalents	13.00	16.68	6.50	5.86	13.29	36.13	77.57
Bank balances other than above	1.58	0.86	1.80	2.23	2.85	3.36	3.84
Receivables	-						
Trade receivables	14.85	7.79	18.50	27.07	40.12	52.41	68.29
Loans	0.11	0.06	0.15	0.23	0.36	0.49	0.68
Investments	86.87	86.87	86.87	86.87	86.87	86.87	86.87
Inventories	8.81	4.79	11.69	17.61	26.95	36.49	49.45
Other financial assets	17.52	9.25	22.16	32.75	49.11	66.25	89.48
Non-financial assets							
Current tax assets (net)	0.69	0.38	0.95	1.47	2.32	3.25	4.57
Deferred tax assets (net)	2.77	1.51	3.79	5.89	9.31	13.03	18.29

Property, plant and equipment	2.09	2.67	2.78	2.97	3.01	2.91	2.79
Intangible assets	0.10	0.73	1.37	1.24	1.11	0.96	0.81
Intangible assets under development	0.06	-	-	-	-	-	-
Right-of-use assets	0.85	0.57	0.28	0.85	0.57	0.28	0.85
Investment property	26.75	26.50	25.97	25.45	24.93	24.42	23.90
Other non-financial assets	1.76	0.91	2.09	2.97	4.25	5.33	6.60
Total Assets	**177.80**	**159.55**	**184.89**	**213.45**	**265.04**	**332.18**	**433.99**
Equities and Liabilities							
Financial liabilities							
Payables							
Trade payables							
- to micro and small enterprises	-						
- to others	2.22	-	1.31	1.73	2.27	2.30	2.66
Other payables	14.84	8.08	20.31	31.57	49.93	69.91	98.12
Borrowings other than debt securities	3.54	1.93	4.85	7.53	11.91	16.68	23.41
Lease liabilities	0.98	0.65	0.33	0.98	0.65	0.33	0.98
Other financial liabilities	4.50	2.45	6.16	9.57	15.13	21.19	29.74
Non-financial liabilities							
Provisions	1.08	0.59	1.48	2.30	3.63	5.08	7.14
Other non-financial liabilities	3.15	1.72	4.32	6.71	10.62	14.86	20.86
Equity							
Share capital	15.53	15.53	15.53	15.53	15.53	15.53	15.53
Other equity	131.96	128.61	130.61	137.53	155.37	186.30	235.55
Total	**177.80**	**159.55**	**184.89**	**213.45**	**265.04**	**332.18**	**433.99**

Amount in INR Crs otherwise mentioned; A- Actuals P- Projected;
Source: Projection as provided by the company

About CRISIL Market Intelligence & Analytics

CRISIL Market Intelligence & Analytics, a division of CRISIL, provides independent research, consulting, risk solutions, and data & analytics. Our informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies.

Our strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, make us the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.

About CRISIL Limited

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better.

It is India's foremost provider of ratings, data, research, analytics and solutions with a strong track record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers through businesses that operate from India, the US, the UK, Argentina, Poland, China, Hong Kong, UAE and Singapore.

It is majority owned by S&P Global Inc, a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

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