

Result Preview



Motilal Oswal values your support in the Asiamoney Brokers Poll 2022 for India Research, Sales, Corporate Access and Trading team. We request your ballot.



Company

Aavas Financiers
Bajaj Finance
Can Fin Homes
Chola Inv. & Fin.
HDFC
ICICI Securities
IIFL Wealth Management
Angel One
BSE
MCX
Star Health
LIC Housing Finance
L&T Finance Holdings
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
PNB Housing Finance
Repco Home Finance
Shriram City Union
Shriram Transport Finance

Healthy disbursement momentum; steady quarter despite seasonality

No major impact on margins in 1Q, impact in remainder of FY23 will be the key

- We expect our coverage universe of NBFC – Lending Financials to deliver 26% /26%/175% YoY growth in NII/PPoP/PAT, respectively, in 1QFY23. We forecast a strong YoY growth in earnings for SHTF, BAF and LICHF, while we estimate a decline in earnings for MGFL (driven by muted loan growth and deterioration in margin profile).
- In general, 1Q of a fiscal year is a seasonally weak quarter both in terms of disbursements as well as asset quality. However, we expect 1QFY23 to be slightly different with healthy disbursement momentum across both vehicle as well as housing financiers. The deterioration in asset quality (typical of 1Q) is also not as pronounced this time around with housing financiers likely to report a sequential improvement in asset quality while we expect a minor sequential asset quality deterioration (seasonal) for the vehicle financiers.
- Discussions with NBFCs/HFCs seem to suggest that the incremental cost of borrowings have gone up 30-50bp. However, since most of them were already carrying high liquidity on their balance sheets, the quantum of incremental borrowings in 1QFY23 has been very low. A large proportion of the bank term loans for most of the NBFCs are still MCLR-linked, which will get re-priced on their contracted reset frequency. The increase in the weighted average cost of borrowings is between 5bp and 20bp across NBFCs/HFCs.
- While large HFCs have raised their PLRs to transmit the increase in repo rates to customers, the smaller affordable housing financiers have restrained from increasing the lending rates just yet. Vehicle financiers did increase their lending rates by ~25bp in Jun'22 but on many occasions the increase was selectively done in particular lower-yielding product segments such as HCV, CE, Car, UV and Bus. Hence, the impact on margins was limited in 1QFY23; however, the impact in the remainder of FY23 will be the key to monitor for the cohort of lending NBFCs/HFCs.
- Driven by healthy disbursements and a low base of 1QFY22, we expect AUM growth for the NBFCs/HFCs to be healthy in 1QFY23. However, companies suggest that they are already seeing signs of a demand slowdown particularly in HCVs. Besides, with a projected (further) increase in the repo rates over the next six months, we expect companies to begin discussing about the impact on demand in their respective earnings calls.
- Equity markets continue to remain subdued leading to further decline in cash volumes; however, F&O volumes have managed to sustain its momentum. A sharp decline in IPO activity and muted distribution income will adversely affect the performance of the capital market players in 1QFY23. The momentum in inflows for the Wealth Management space is likely to remain decent.
- Growth in the health insurance industry in 1QFY23 has been mainly driven by strong premium growth in the group health business, whereas retail health business has seen some slowdown. SAHIs continue to gain market share, especially in the retail health segment, whereas PSU players have reported weak performance in both group and retail health businesses. However, claim ratios are likely to see sharp improvement with no material impact of COVID claims. Non-COVID claims are also likely to see some normalization.
- We continue to favor: a) franchises with strong balance sheets and b) those companies which can change their asset/liability mix to mitigate the impact on margins. Our top picks are CIFIC, SHTF, IIFL Wealth and Star Health.

Research Analyst: Abhijit Tibrewal (Abhijit.Tibrewal@MotilalOswal.com) / Prayesh Jain (Prayesh.Jain@MotilalOswal.com)

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com) / Urmila Bohra (Urmila.bohra@MotilalOswal.com)

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

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

HFCs: Disbursement momentum healthy across large and affordable lenders; large HFCs such as HDFC might exhibit some NIM moderation

Property registrations continued to remain buoyant all through 1QFY23. Home loans continued to witness healthy demand despite increasing interest rates and concerns on inflation. We expect HDFC and LICHF (aided by their lower CoF) to deliver strong retail home loan disbursements while we forecast others such as PNBHOUSI to see relatively modest disbursements while it aligns to its new business model. Overall disbursements would be supported by better Corporate/Developer disbursements for HDFC/LICHF. Affordable Housing Financiers (AHFCs; with the exception of Aavas and CanFin) could potentially report a sequential improvement in disbursements in 1QFY23. AHFCs (except Aavas) have not increased their lending rates in 1QFY23 given that they were already operating at very healthy spreads/margins and did not see a significant increase in borrowing costs during the quarter. We expect asset quality to improve for the housing financiers leading to an improvement in GS3 and the 1+dpd metrics.

Vehicle Financiers – Healthy disbursements in an otherwise weak quarter; margin impact limited even as there would be a seasonal increase in GS3

PVs (particularly cars and UVs) continue to exhibit strong demand evident in their long waiting periods. M&HCV volumes have continued to demonstrate recovery in the last four to five months. Used CV sales also have continued to benefit from the momentum in the sales of new commercial vehicles. However, our discussions with vehicles financiers suggested that there were early/transitory signs of a demand slowdown in HCVs in Jun'22. MMFS has already reported its quarterly disbursements for 1QFY23 at ~INR94.5b (up 3% QoQ in a seasonally weak quarter). For SHTF, we estimate a 13% QoQ decline in disbursements while for CIFIC we expect disbursements to remain flat sequentially. We estimate seasonal deterioration in asset quality (30-45bp in GS3) across all the three vehicle financiers. Vehicle financiers will be most vulnerable to margin compression in the remainder of this fiscal year but the impact in 1QFY23 has been insignificant.

Gold financiers – Gold loan demand still muted but yields/margins have started improving from the lows of 4QFY22

Teaser rate gold loans (at interest rates of 6.9% p.a.) were withdrawn by the gold financiers post-Mar'22. A major part of the lending by gold loan NBFCs is now happening at interest-rates of 11%-12%. Demand in the lower-than-INR100K ticket segment has still not improved and banks/gold loan fintechs continue to remain very aggressive in the ticket-size above INR100K.

We expect the gold loan portfolio for MGFL to remain flat sequentially and we forecast the portfolio to grow ~2% sequentially for MUTH. Yields clearly have started to improve based on our channel checks ([refer report](#)) on both MUTH and MGFL. Besides, both the gold financiers have witnessed considerable success in re-pricing teaser rate gold loans upwards, which were done at 6.9% between Dec'21 and Mar'22. We expect their margins to recover from the lows reported in 4QFY22.

Diversified financiers exhibit healthy customer acquisitions and loan growth; asset quality stable with an improvement bias

Despite the improvement in real estate outlook and improving health of the developers, we believe that the wholesale lenders have stressed assets on their balance sheets that will be recognized as NPAs during the course of this year. Many of these stressed developers had availed 18-24 months moratorium under the RBI restructuring scheme and would be expected to resume repayments (particularly of principal) after 6-9 months.

BAF has already reported a healthy ~31% YoY/6% QoQ growth in its core AUM and delivered the highest ever quarterly addition in its customer franchise. We project a minor compression in margin for BAF but expect its asset quality to remain stable. We forecast SCUF to report healthy disbursements and deliver a 15% YoY growth in AUM. Further, we expect its margins to remain stable and model a ~20bp improvement in its Gross Stage 3.

Subdued equity markets to impact client acquisition run-rate as well as activation rates

The retail segment cash ADTO grew 13% MoM in Apr'22 but saw a 23% MoM decline in May'22. The decline was primarily attributable to weak equity markets. The cash volumes are expected to remain muted for Jun'22 as well. Retail F&O volumes too saw some slowdown in growth with only 7%/2% MoM increase in Apr/May'22, respectively. Customer acquisition run rate for the current quarter has been subdued. Angel One has seen a decline in client addition during 1QFY23 (v/s 4QFY22); its activation rate and F&O ADTO market share have also remained weak, leading to muted revenue growth for the quarter. However, continued investments in client acquisition, technology and hiring of resources are expected to keep its CI ratio elevated. For ISEC, we expect revenue growth to remain weak due to sharp decline in corporate finance segment led by volatile equity markets as well as subdued broking income. IIFLWAM shall see sequential decline in revenue because of normalization of TBR income, whereas ARR shall see moderate growth on both sequential and YoY basis.

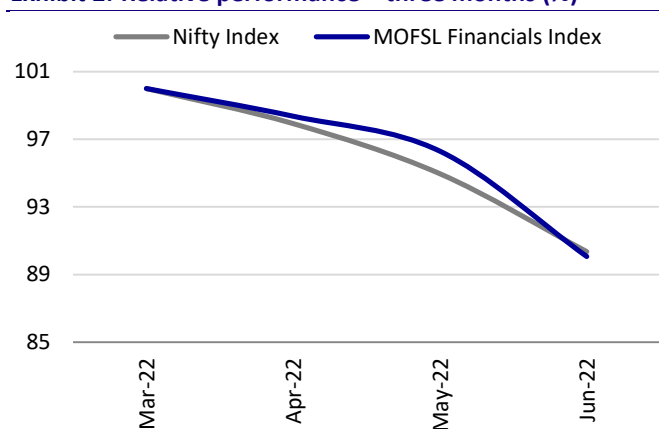
Health insurance premium continues on its growth trajectory driven by Group business

Overall health insurance premium grew 27%/20% YoY in Apr/May'22, respectively, whereas retail health grew only by 10% YoY during the same period. We expect health insurance premium growth to be dominated by the Group business for Jun'22 as well. Star Health along with other SAHIs outperformed the industry growth. Although Star Health continued to gain market share in the retail business, it has deliberately reduced its Group health book, thus impacting its overall premium growth. Claims ratios are likely to moderate during the quarter leading to improvement in combined ratio for the company.

Exhibit 1: Quarterly performance

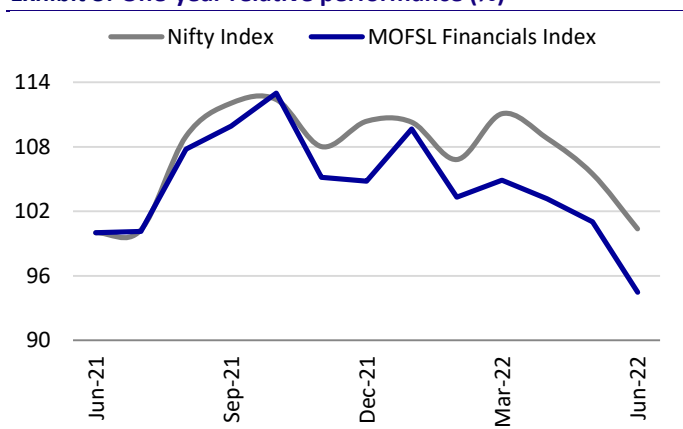
	CMP		NII (INR M)			OP. PROFITS (INR M)			NET PROFIT (INR M)		
	(INR)	RECO	Jun-22	Var % YoY	Var % QoQ	Jun-22	Var % YoY	Var % QoQ	Jun-22	Var % YoY	Var % QoQ
AAVAS Financiers	1949	Sell	1,850	23.2	2.6	1,188	29.2	-12.4	886	48.0	-23.4
Angel One	1264	Buy	4,167	60.3	2.5	2,294	41.4	-16.4	1,721	41.7	-16.0
Bajaj Finance	5630	Buy	64,715	74.9	34.7	53,515	71.7	34.9	36,139	260.5	49.4
Can Fin Homes	442	Buy	2,417	33.4	1.8	2,068	35.6	6.3	1,407	29.3	14.5
Chola. Inv & Fin.	653	Buy	15,976	26.1	16.8	11,645	17.3	27.7	6,907	111.4	0.2
HDFC	2216	Buy	47,789	15.8	3.9	48,479	24.2	4.9	51,038	96.9	46.4
ICICI Securities	435	Buy	7,582	1.4	-15.0	3,562	-14.5	-21.8	2,672	-14.0	-21.5
IIFL Wealth Mgt	1552	Buy	3,561	25.7	-15.8	1,767	35.5	-5.9	1,514	29.5	-8.6
L&T Fin.Holdings	69	Buy	15,519	3.5	1.7	10,185	-11.0	-10.3	2,690	52.0	-21.2
LIC Housing Fin	337	Buy	16,407	28.7	0.2	14,306	39.2	-5.1	7,845	411.3	-29.9
M & M Financial	179	Buy	15,683	35.4	5.2	10,536	40.7	17.3	3,768	LP	-37.3
Manappuram Finance	91	Buy	9,295	-9.6	3.4	4,903	-30.8	-3.0	2,833	-35.2	8.6
MAS Financial	511	Buy	951	21.1	5.9	698	9.6	15.3	464	26.0	9.0
Muthoot Finance	1064	Buy	18,233	7.2	6.0	14,263	6.9	16.7	10,480	7.9	9.1
PNB Housing	330	Neutral	3,669	-27.9	-0.5	3,324	-30.0	-10.0	1,617	-33.5	-4.6
Repco Home Fin	132	Neutral	1,430	-1.2	1.8	1,185	-2.9	-0.8	507	57.8	20.6
Shriram City Union	1733	Buy	9,822	11.7	2.0	5,833	2.5	-1.7	2,836	36.4	-6.3
Shriram Transport Fin.	1266	Buy	24,030	21.3	-4.8	20,222	20.8	-4.2	9,503	459.2	-12.5
NBFC			2,63,098	25.5	8.4	2,09,971	24.7	9.0	1,44,826	161.5	16.2

Exhibit 2: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 3: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 4: EPS estimate changes for FY23-24

Company	Old estimates (INR)		New estimates (INR)		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
AAVAS	53.7	68.1	54.9	69.9	-2.1	-2.5
BAF	164.0	212.3	162.0	211.0	1.2	0.6
CANF	39.4	47.7	40.8	48.5	-3.3	-1.7
CIFC	28.5	34.2	29.1	33.6	-2.0	1.7
HDFC	74.5	86.0	75.6	85.4	-1.5	0.8
Angel One	93.1	114.0	86.6	102.9	-7.0	-9.8
ISEC	42.0	45.3	35.7	38.7	-15.1	-14.7
IIFWAM	76.8	86.9	77.9	87.7	1.5	0.9
Star Health	14.2	21.0	13.2	19.4	-1.1	-1.5
BSE	21.5	25.8	19.0	22.3	-11.7	-13.8
MCX	40.4	50.2	38.8	48.2	-4.1	-3.9
LTFH	6.1	7.1	6.4	8.0	-4.7	-11.0
LICHF	51.7	60.4	58.0	65.2	-10.9	-7.4
MMFS	11.5	12.8	11.6	11.9	-1.3	7.5
MASFIN	35.0	44.6	37.2	47.3	-6.0	-5.7
MUTH	93.8	100.3	102.1	102.6	-8.1	-2.3
MGFL	16.3	17.5	15.7	17.5	3.8	-
PNBHOUSI	58.4	63.9	49.8	54.0	17.3	18.5
REPCO	43.0	50.1	43.6	49.9	-1.5	0.4
SCUF	194.7	247.4	194.7	247.4	-	-
SHTF	119.2	136.9	126.9	136.7	-6.0	0.2

Source: MOFSL, Company, Note: HDFC's numbers are for the core mortgage business only

Exhibit 5: Valuation summary

Company Name	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
	INR	Reco	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
NBFC						24.4	19.9	17.1	3.0	2.7	2.4	12.2	13.4	13.8
AAVAS Financiers	1,949	Sell	45.2	54.9	69.9	43.1	35.5	27.9	5.5	4.7	4.1	13.7	14.3	15.7
Aditya Birla Cap	90	Buy	7.1	8.4	9.7	12.8	10.7	9.3	1.4	1.2	1.1	11.7	12.1	12.0
Angel One	1,264	Buy	75.4	86.6	102.9	16.8	14.6	12.3	6.6	5.1	4.0	46.0	39.5	36.6
Bajaj Finance	5,630	Buy	116.5	162.0	211.0	48.3	34.8	26.7	7.8	6.5	5.4	17.5	20.4	22.2
Can Fin Homes	442	Buy	35.4	40.8	48.5	12.5	10.8	9.1	1.9	1.6	1.4	16.6	16.3	16.6
Chola. Inv & Fin.	653	Buy	26.1	29.1	33.6	25.0	22.4	19.4	4.6	3.9	3.3	20.2	18.7	18.3
HDFC	2,216	Buy	62.4	75.6	85.4	35.5	29.3	26.0	3.3	3.1	2.8	12.7	13.8	14.0
ICICI Securities	435	Buy	42.9	35.7	38.7	10.1	12.2	11.2	5.8	5.0	4.3	65.0	43.7	40.9
IIFL Wealth Mgt	1,552	Buy	65.2	77.9	87.7	23.8	19.9	17.7	4.6	4.4	4.2	19.8	22.5	24.2
Indostar Capital	136	Buy	4.6	18.4	29.5	29.5	7.4	4.6	0.5	0.5	0.4	1.7	6.4	9.6
L&T Fin.Holdings	69	Buy	4.2	6.4	8.0	16.3	10.8	8.7	0.9	0.8	0.7	5.4	7.6	8.9
LIC Housing Fin	337	Buy	41.6	58.0	65.2	8.1	5.8	5.2	0.8	0.7	0.6	10.1	12.4	12.8
M & M Financial	179	Buy	8.0	11.6	11.9	22.3	15.4	15.0	1.5	1.4	1.3	6.6	9.1	8.8
Manappuram Fin.	91	Buy	15.7	15.7	17.5	5.8	5.8	5.2	0.9	0.8	0.7	17.0	14.9	14.8
MAS Financial	511	Buy	28.9	37.2	47.3	17.7	13.7	10.8	2.2	2.0	1.7	13.2	15.1	16.8
Muthoot Finance	1,064	Buy	98.6	102.1	102.6	10.8	10.4	10.4	2.3	2.0	1.7	23.5	20.5	17.8
PNB Housing	330	Neutral	49.6	49.8	54.0	6.6	6.6	6.1	0.6	0.5	0.5	8.9	8.2	8.3
Repc Home Fin	132	Neutral	30.6	43.6	49.9	4.3	3.0	2.6	0.4	0.3	0.3	8.9	11.6	11.8
Shriram City Union	1,733	Buy	162.9	194.7	247.4	10.6	8.9	7.0	1.3	1.2	1.0	12.7	13.7	15.4
Shriram Trans. Fin.	1,266	Buy	100.1	126.9	136.7	12.6	10.0	9.3	1.3	1.2	1.1	11.5	12.6	12.3

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Aavas Financiers

Sell
CMP INR1,949 | TP: INR1,760 (-10%)
EPS CHANGE (%): FY23|24: -2.1|-2.5

- Expect AUM/disbursement to grow 24%/128% YoY.
- Expect asset quality to improve with GS3 further improving sequentially to 0.96% (down 3 bp QoQ)
- Expect NIM to deteriorate ~20bp QoQ (including upfront assignment income in the range of ~INR140m).
- Expect opex to remain elevated driven by investments in technology/distribution and increments to employees

Quarterly performance

INR m

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	2,630	2,787	2,830	3,041	3,211	3,403	3,608	3,850	11,288	14,072
Interest Expenses	1,128	1,160	1,251	1,237	1,360	1,524	1,706	1,886	4,775	6,477
Net Income	1,502	1,627	1,579	1,804	1,850	1,880	1,901	1,963	6,513	7,595
YoY Growth (%)	29	26	12	37	23	16	20	9	26	17
Other income	90	468	599	612	269	529	678	760	1,768	2,236
Total Income	1,592	2,095	2,178	2,416	2,120	2,408	2,579	2,724	8,281	9,831
YoY Growth (%)	31	34	13	37	33	15	18	13	28	19
Operating Expenses	673	864	910	1,059	932	959	997	1,109	3,506	3,997
YoY Growth (%)	28	36	37	43	39	11	10	5	37	14
Operating Profits	919	1,231	1,268	1,357	1,188	1,449	1,582	1,615	4,775	5,834
YoY Growth (%)	33	33	0	33	29	18	25	19	22.3	22.2
Provisions	170	47	113	-104	59	76	80	97	226	311
Profit before Tax	749	1,183	1,155	1,461	1,129	1,373	1,502	1,518	4,549	5,523
Tax Provisions	150	262	264	304	243	295	323	332	981	1,193
Profit after tax	599	921	891	1,157	886	1,078	1,179	1,186	3,568	4,330
YoY Growth (%)	20	39	4	32	48	17	32	3	23.2	21.3

Bajaj Finance

Buy
CMP INR5,630 | TP: INR6,880 (22%)
EPS CHANGE (%): FY23|24: 1.2|0.6

- New loan bookings up ~60% YoY (on a lower base).
- Reported core AUM growth of 31% YoY/6% QoQ; however, total AUM growth to be muted at ~3.5% QoQ
- Expect margins to remain stable sequentially and opex to remain elevated with CIR at ~34%
- Expect ~20bp QoQ increase in credit costs in 1QFY23.

Quarterly Performance

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	59,542	66,873	72,623	73,659	77,342	81,983	87,722	99,668	2,72,698	3,46,715
Interest expenses	22,536	23,976	25,345	25,626	27,676	30,167	32,882	39,967	97,482	1,30,692
Net Interest Income	37,007	42,898	47,277	48,034	49,667	51,816	54,840	59,701	1,75,215	2,16,024
YoY Growth (%)	12.3	26.0	40.7	25.1	34.2	20.8	16.0	24.3	26.2	23.3
Other Operating Income	7,888	10,447	12,728	12,643	10,646	11,740	12,547	11,601	43,707	46,535
Net Income	44,895	53,345	60,005	60,677	60,313	63,556	67,387	71,302	2,18,922	2,62,558
YoY Growth (%)	8.1	28.2	39.7	30.2	34.3	19.1	12.3	17.5	26.8	19.9
Operating Expenses	13,733	20,297	20,814	21,006	21,847	22,721	23,629	23,785	75,850	91,981
Operating Profit	31,162	33,048	39,192	39,671	38,466	40,836	43,758	47,517	1,43,072	1,70,577
YoY Growth (%)	4.0	9.9	34.9	29.9	23.4	23.6	11.7	19.8	19.6	19.2
Provisions and Cont.	17,503	13,003	10,512	7,016	8,419	9,261	10,002	10,828	48,034	38,509
Profit before Tax	13,659	20,045	28,680	32,655	30,047	31,575	33,756	36,690	95,038	1,32,068
Tax Provisions	3,634	5,235	7,427	8,460	8,957	8,374	8,773	8,234	24,756	34,338
Net Profit	10,025	14,810	21,253	24,195	21,090	23,201	24,983	28,456	70,282	97,730
YoY Growth (%)	4.2	53.5	85.5	79.7	110.4	56.7	17.6	17.6	59.0	39.1

Can Fin Homes**Buy****CMP INR442 | TP: INR560 (+27%)****EPS CHANGE (%): FY23 | 24: -3.3 | -1.7**

- Expect healthy disbursements of ~INR20b leading to a ~124% YoY growth (on a low base).
- Expect credit costs of INR181m v/s INR65m in 1QFY22.
- Expect asset quality to remain stable with GS3 at ~0.6%
- Watch out for commentary on margins, credit costs and audit/inspection report of the remaining branches.

Quarterly performance**(INR m)**

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	4,492	4,626	5,020	5,558	5,825	6,116	6,483	6,874	19,697	25,362
Interest Expenses	2,680	2,708	2,961	3,185	3,408	3,749	4,124	4,435	11,535	15,717
Net Interest Income	1,812	1,918	2,059	2,373	2,417	2,367	2,359	2,439	8,162	9,644
YoY Growth (%)	-5.3	-8.9	-2.1	27.7	33.4	23.4	14.6	2.8	2.3	18.2
Other income	16	53	64	55	51	66	71	90	188	216
Total Income	1,828	1,971	2,124	2,428	2,468	2,433	2,430	2,529	8,350	9,860
YoY Growth (%)	-4.6	-7.2	-0.6	26.1	35.0	23.5	14.4	4.2	3.1	18.1
Operating Expenses	303	342	403	482	400	424	451	429	1,530	1,704
YoY Growth (%)	40.8	35.8	17.1	12.4	32.1	24.0	11.8	-11.0	23.4	11.4
Operating Profits	1,526	1,628	1,720	1,946	2,068	2,009	1,979	2,101	6,820	8,156
YoY Growth (%)	-10.4	-13.0	-4.0	30.0	35.6	23.3	15.0	8.0	-0.6	19.6
Provisions	65	-62	164	302	181	200	220	266	469	867
Profit before Tax	1,460	1,690	1,557	1,643	1,886	1,809	1,759	1,834	6,351	7,289
Tax Provisions	372	454	400	414	479	459	447	473	1,640	1,859
Profit after tax	1,088	1,236	1,157	1,229	1,407	1,350	1,312	1,361	4,711	5,430
YoY Growth (%)	16.8	-3.7	-12.3	19.8	29.3	9.2	13.4	10.7	3.3	15.3

Cholamandalam Inv. & Fin.**Buy****CMP INR653 | TP: INR780 (+19%)****EPS CHANGE (%): FY23 | 24: -2.0 | 1.7**

- Expect disbursements at levels similar to 4QFY22 and AUM growth of ~19% YoY.
- Expect ~10bp QoQ improvement in spreads and margins.
- Expect deterioration of ~65bp QoQ in 30+ dpd
- Watch out for guidance on loan growth and margins.

Quarterly Performance**(INR M)**

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	23,712	23,468	24,095	24,390	26,097	27,663	29,046	30,541	95,668	1,13,348
Interest Expenses	11,038	10,778	10,460	10,712	11,461	12,837	14,377	16,255	42,988	54,930
Net Interest Income	12,674	12,690	13,634	13,679	14,636	14,827	14,669	14,285	52,680	58,417
YoY Growth (%)	34.8	8.2	6.0	9.5	15.5	16.8	7.6	4.4	13.3	10.9
Other Income	958	1,239	1,208	1,927	1,597	1,580	1,634	1,926	5,720	6,737
Total Income	13,632	13,929	14,842	15,606	16,233	16,407	16,303	16,211	58,400	65,154
YoY Growth (%)	38.7	11.0	8.8	16.3	19.1	17.8	9.8	3.9	16.8	11.6
Operating Expenses	3,705	5,179	5,317	6,486	5,929	5,697	5,848	6,131	20,687	23,605
Operating Profit	9,927	8,750	9,525	9,120	10,305	10,709	10,455	10,080	37,712	41,549
YoY Growth (%)	55.8	-2.7	-4.3	10.2	3.8	22.4	9.8	10.5	10.4	10.2
Provisions & Loan Losses	5,519	584	2,483	-174	2,802	3,128	2,346	1,109	8,803	9,385
Profit before Tax	4,407	8,165	7,043	9,294	7,503	7,581	8,108	8,971	28,909	32,164
Tax Provisions	1,139	2,100	1,805	2,398	1,936	1,971	2,108	2,265	7,442	8,280
Net Profit	3,268	6,065	5,238	6,896	5,567	5,610	6,000	6,706	21,467	23,883
YoY Growth (%)	-24.2	40.4	28.1	183.5	70.4	-7.5	14.6	-2.7	41.7	11.3

HDFC**Buy****CMP INR2,216 | TP: INR2,870 (+30%)****EPS CHANGE (%): FY23|24: -1.5|0.8**

- AUM growth likely to be healthy (~18% YoY). Expect disbursements in individual loans to be strong with momentum in non-individual segment as well.
- NIM to contract ~35bp QoQ due to delay in transmission of increase in borrowing costs
- PPOP is likely to grow ~18% YoY. ESOP expense likely at INR0.6b-0.7b in 1QFY23
- Watch out for outlook on margins, home loan demand and asset quality in the non-individual segment

Quarterly Performance**(INR m)**

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	1,06,471	1,06,831	1,11,569	1,13,716	1,20,914	1,29,715	1,38,808	1,48,181	4,38,586	5,37,617
Interest Expense	65,219	65,735	68,731	67,708	73,124	79,706	87,676	95,771	2,67,392	3,36,277
Net Interest Income	41,252	41,096	42,838	46,009	47,789	50,010	51,132	52,409	1,71,194	2,01,340
YoY Change (%)	23.7	14.1	7.0	14.2	15.8	21.7	19.4	13.9	14.4	17.6
Assignment Income	2,675	1,278	2,247	4,361	4,385	3,000	3,000	1,821	10,560	12,206
NII (including assignment income)	43,926	42,373	45,085	50,370	52,174	53,010	54,132	54,230	1,81,754	2,13,546
YoY Change (%)	24.8	12.6	2.1	12.8	18.8	25.1	20.1	7.7	12.5	17.5
Other Operating Income	614	895	811	984	909	885	856	1,065	3,337	3,715
Core Income	44,540	43,268	45,896	51,354	53,083	53,895	54,988	55,295	1,85,091	2,17,261
YoY Change (%)	24.9	12.7	2.3	12.8	19.2	24.6	19.8	7.7	12.5	17.4
Operating Expenses	5,507	5,299	4,780	5,142	5,837	5,908	5,329	6,018	20,727	23,092
YoY Change (%)	38.9	44.8	-11.0	3.1	6.0	11.5	11.5	17.0	15.3	11.4
Core Operating profits	39,033	37,970	41,116	46,212	47,246	47,987	49,658	49,278	1,64,364	1,94,169
YoY Change (%)	23.1	9.3	4.2	13.9	21.0	26.4	20.8	6.6	12.2	18.1
Provisions	6,860	4,520	3,930	4,010	4,411	4,852	4,609	4,481	19,320	18,354
Core PBT	32,173	33,450	37,186	42,202	42,835	43,135	45,049	44,796	1,45,044	1,75,815
YoY Change (%)	12.0	10.1	10.9	26.5	33.1	29.0	21.1	6.1	15.1	21.2
Profit on Sale of Inv./MTM on Inv.	6,652	1,444	1,256	2,660	340	2,500	2,500	2,734	11,978	8,074
Dividend income	164	11,713	1,955	1,279	6,870	5,500	1,500	3,960	15,110	17,830
One off expense/Prov									0	0
Other Income	57	104	86	85	99	99	99	99	331	398
PBT	39,046	46,711	40,482	46,225	50,144	51,234	49,148	51,589	1,72,463	2,02,116
YoY Change (%)	8.3	32.3	7.9	17.8	28.4	9.7	21.4	11.6	16.4	17.2
Provision for Tax	9,039	8,906	7,875	9,222	10,235	10,459	10,033	10,303	35,041	41,030
PAT	30,007	37,805	32,607	37,003	39,910	40,775	39,115	41,287	1,37,422	1,61,087
YoY Change (%)	-1.7	31.7	11.4	16.4	33.0	7.9	20.0	11.6	14.3	17.2

ICICI Securities

Buy
CMP INR435 | TP: INR580 (+33%)
EPS CHANGE (%):FY23|24: -15.1|-14.7

- Broking revenue to remain weak due to continued decline in Cash volumes.
- Investment banking revenue to see a steep decline with lower execution of deals in a weak equity market environment.
- Distribution income to decline sequentially but expected to see some growth on YoY basis.
- Cost-to-income ratio is expected to jump on both sequential and YoY basis.

Quarterly Performance

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from Operations	7,453	8,564	9,416	8,917	7,579	7,731	8,349	8,702	34,350	32,361
Other Income	24	2	3	6	3	4	4	4	35	14
Total Income	7,477	8,566	9,419	8,923	7,582	7,734	8,353	8,706	34,385	32,375
Change YoY (%)	36.8	25.9	51.9	20.7	1.4	-9.7	-11.3	-2.4	33.0	-5.8
Operating Expenses	3,310	3,856	4,321	4,369	4,020	4,100	4,387	4,533	15,856	17,039
Change YoY (%)	15.3	25.1	64.8	46.6	21.4	6.3	1.5	3.7	37.2	7.5
PBT	4,167	4,709	5,099	4,554	3,562	3,634	3,966	4,173	18,529	15,335
Change YoY (%)	60.6	26.5	42.5	3.2	-14.5	-22.8	-22.2	-8.4	29.5	-17.2
Tax Provisions	1,060	1,197	1,295	1,149	891	909	991	1,043	4,700	3,834
Net Profit	3,107	3,512	3,804	3,405	2,672	2,726	2,974	3,130	13,828	11,501
Change YoY (%)	60.9	26.3	42.5	3.3	-14.0	-22.4	-21.8	-8.1	29.5	-16.8

IIFL Wealth Management

Buy
CMP INR1,552 | TP: INR2,200 (+42%)
EPS CHANGE (%):FY23|24: 1.5|0.9

- Revenue to see a sequential decline led by normalization of TBR income.
- ABR yields likely to remain stable whereas TBR yields to contract both sequentially and YoY.
- Overall AUM growth expected to moderate led by marginal decline in TBR assets.
- Cost-to-income ratio is expected to improve.

Quarterly performance

INR m

Y/E March	FY22				FY23E				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Revenues	2,834	3,143	3,781	4,228	3,561	3,731	3,992	4,148	13,987	15,432
Change (%)	42.6	48.3	58.1	59.2	25.7	18.7	5.6	-1.9	52.8	10.3
ARR Assets Income	1,936	2,222	2,451	2,524	2,675	2,809	3,034	3,160	9,133	11,678
TBR Assets Income	898	921	1,330	1,704	886	922	959	988	4,854	3,754
Operating Expenses	1,531	1,730	2,220	2,350	1,795	1,833	1,872	1,942	7,831	7,442
Change (%)	17.8	29.2	46.2	54.3	17.2	6.0	-15.7	-17.4	37.9	-5.0
Cost to Income Ratio (%)	54.0	55.0	58.7	55.6	50.4	49.1	46.9	46.8	56.0	48.2
Operating Profits	1,304	1,413	1,561	1,878	1,767	1,898	2,120	2,206	6,156	7,990
Change (%)	89.3	80.9	78.8	65.8	35.5	34.3	35.8	17.5	77.2	29.8
Other Income	206	480	420	265	225	250	300	325	1,371	1,100
Profit Before Tax	1,510	1,893	1,981	2,143	1,992	2,148	2,420	2,531	7,527	9,090
Change (%)	38.1	67.8	54.9	59.0	31.9	13.5	22.1	18.1	55.2	20.8
Tax	341	458	449	487	478	515	581	607	1,735	2,182
Tax Rate (%)	22.6	24.2	22.7	22.7	24.0	24.0	24.0	24.0	23.1	24.0
PAT	1,169	1,435	1,532	1,657	1,514	1,632	1,839	1,923	5,792	6,909
Change (%)	42.0	64.6	58.8	60.3	29.5	13.8	20.0	16.1	56.9	19.3
PAT Margins (%)	41.2	45.6	40.5	39.2	42.5	43.8	46.1	46.4	41.4	44.8

Angel One

Buy

CMP INR1,264 | TP: INR1,850 (46%)

EPS CHANGE (%):FY23|24: -7.0|-9.8

- With continued growth momentum in F&O ADTO, Angel's revenue growth to remain strong YoY.
- Interest income is expected to be flattish led by subdued MTF book.
- Gross customer acquisition run rate saw a decline along with a dip in activation rate.
- Cost-to-income ratio is likely to increase both sequentially and YoY on higher investments.

Quarterly Performance

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from Operations	2,600	2,992	3,512	4,064	4,167	4,085	4,085	4,053	13,167	16,390
Other Income	807	888	936	1,031	936	1,030	1,086	1,160	3,662	4,212
Total Income	3,407	3,880	4,448	5,095	5,103	5,115	5,170	5,214	16,829	20,601
Change YoY (%)	110.4	83.3	100.5	68.9	49.8	31.8	16.2	2.3	87.6	22.4
Operating Expenses	1,744	2,040	2,191	2,298	2,756	2,660	2,689	2,712	8,273	10,816
Change YoY (%)	119.3	89.9	94.6	48.0	58.0	30.4	22.7	18.0	76.9	30.7
Depreciation	41.0	45.3	48.3	52.3	53.3	54.1	54.9	57.4	186.8	219.7
PBT	1,622	1,795	2,209	2,744	2,294	2,401	2,427	2,444	8,369	9,566
Change YoY (%)	109.5	80.1	111.2	92.8	41.4	33.8	9.9	-10.9	103.6	14.3
Tax Provisions	408	451	562	696	574	600	607	611	2,117	2,391
Net Profit	1,214	1,343	1,647	2,048	1,721	1,801	1,820	1,833	6,253	7,174
Change YoY (%)	99.0	80.2	124.7	101.0	41.7	34.0	10.5	-10.5	109.8	14.7

Star Health

Buy

CMP INR497 | TP: INR750 (+51%)

EPS CHANGE (%):FY23|24: -1.1|-1.5

- Retail health premium growth expected to be strong at 20%+, Group health to decline
- Claims ratio to normalize to pre-COVID levels.
- Expense ratio to remain flattish on a YoY basis
- Combined ratio to taper down materially, on both YoY and QoQ basis.

Quarterly Performance

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross premium	21,851	28,847	27,045	36,892	26,591	33,603	35,032	44,814	1,14,635	1,40,040
Net written premium	20,497	27,293	25,568	34,738	25,075	31,688	33,036	42,253	1,08,096	1,32,052
Net earned premium	22,430	24,167	25,283	26,212	21,565	27,251	28,411	36,338	98,092	1,13,565
Investment Income	871	971	901	1,192	1,264	1,339	1,420	2,016	4,796	6,039
Total Income	23,301	25,138	26,184	27,404	22,828	28,591	29,830	38,354	1,02,887	1,19,604
Change YoY (%)	109.2	62.6	78.3	266.1	-2.0	13.7	13.9	40.0	111.0	16.2
Incurred claims	20,415	20,696	26,442	17,848	13,801	17,441	18,183	23,363	85,401	72,788
Net commission	2,665	3,597	3,588	5,072	3,385	4,278	4,460	5,664	14,922	17,787
Employee expense	2,812	3,288	3,018	4,260	3,206	3,781	3,682	4,716	13,378	15,384
Other expenses	698	1,746	1,359	1,204	1,053	1,394	1,520	1,975	5,007	5,942
Total Operating Expenses	26,590	29,326	34,407	28,384	21,445	26,894	27,844	35,718	1,18,707	1,11,902
Change YoY (%)	187.0	81.8	87.4	45.1	-19.3	-8.3	-19.1	25.8	86.7	-5.7
Underwriting profit	-4,160	-5,159	-9,124	-2,172	119	358	566	620	-20,615	1,663
Other charges	-18	-842	-	-	-	-	-	-	-860	-
Operating profit	-3,271	-3,347	-8,223	-980	1,383	1,697	1,986	2,636	-15,820	7,702
Shareholder's P/L										
Transfer from Policyholder's	-3,271	-3,347	-8,223	-980	1,383	1,697	1,986	2,636	-15,820	7,702
Investment income	556	1,112	926	618	610	627	1,157	1,535	3,214	3,929
Total Income	-2,715	-2,235	-7,297	-362	1,993	2,324	3,143	4,170	-12,606	11,631
Provisions other than taxation	-	-	23	0	-	-	-	-	26	-
Other expenses	90	90	363	795	117	134	417	866	1,334	1,534
Total Expenses	90	90	386	795	117	134	417	866	1,360	1,534
PBT	-2,805	-2,325	-7,682	-1,158	1,876	2,190	2,726	3,304	-13,966	10,097
Change YoY (%)	-229.3	490.2	142.6	-90.9	-166.9	-194.2	-135.5	-385.5	-3.4	-172.3
Tax Provisions	-705	-618	-1,899	-337	469	547	682	826	-3,559	2,524
Net Profit	-2,100	-1,706	-5,783	-820	1,407	1,642	2,045	2,478	-10,407	7,572
Change YoY (%)	-229.3	432.1	139.0	-91.4	-167.0	-196.2	-135.4	-402.1	-4.2	-172.8

L&T Finance Holdings

Buy
CMP INR69 | TP: INR95 (+37%)
EPS CHANGE (%): FY23|24: -4.7|-11.0

- Expect MFI, Tractor and Housing to be the key growth drivers. Overall, we expect the loan book to grow by ~2.8% QoQ led by rural finance and home loans.
- Anticipate the credit costs to remain elevated at ~3% (annualized) in 1QFY23
- NIM could decline ~70bp QoQ driven by rundown in high-margin wholesale business but fees likely to be higher led by improved disbursements.
- Watch out for commentary on how it plans to rundown the wholesale segments and initiatives in retail segments.

LTFFH: Quarterly performance

(INR M)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	30,083	29,028	28,744	29,188	28,604	29,462	30,051	31,066	1,17,042	1,19,182
Interest Expenses	15,089	14,417	14,066	13,923	14,340	14,914	15,660	17,753	57,494	62,667
Net Interest Income	14,994	14,611	14,678	15,265	14,263	14,548	14,392	13,313	59,548	56,516
Change YoY (%)	13.8	4.9	-7.1	-5.5	-4.9	-0.4	-2.0	-12.8	0.8	-5.1
Other Operating Income	1,318	1,490	1,964	1,281	1,255	994	1,014	5,926	6,053	9,189
Net Operating Income	16,313	16,101	16,642	16,546	15,519	15,542	15,406	19,239	65,601	65,705
Change YoY (%)	15.8	6.0	-4.6	-8.4	-4.9	-3.5	-7.4	16.3	1.3	0.2
Other income	614	826	1,284	1,204	700	950	1,300	1,370	3,928	4,320
Total Income	16,926	16,928	17,925	17,749	16,219	16,492	16,706	20,609	69,529	70,025
Change YoY (%)	2.9	4.5	-3.8	-10.3	-4.2	-2.6	-6.8	16.1	-2.2	0.7
Operating Expenses	5,485	5,905	6,167	6,389	6,034	6,495	6,783	6,849	23,946	26,161
Change YoY (%)	31.4	28.8	25.5	5.1	10.0	10.0	10.0	7.2	21.3	9.3
Operating Profits	11,441	11,023	11,759	11,360	10,185	9,997	9,922	13,761	45,582	43,864
Change YoY (%)	-6.8	-5.1	-14.3	-17.1	-11.0	-9.3	-15.6	21.1	-11.2	-3.8
Provisions	9,062	7,830	7,418	6,524	6,500	5,550	5,450	4,793	30,833	22,293
Profit before Tax	2,379	3,193	4,341	4,837	3,685	4,447	4,472	8,967	14,750	21,571
Tax Provisions	609	963	1,261	1,423	995	1,201	1,207	2,421	4,256	5,824
Profit after tax	1,770	2,230	3,080	3,414	2,690	3,246	3,265	6,546	10,494	15,747
Change YoY (%)	20.1	-10.0	7.0	28.3	52.0	45.6	6.0	91.8	10.6	50.1

LIC Housing Finance

Buy
CMP INR337 | TP: INR425 (+26%)
EPS CHANGE (%): FY23|24: -10.9|-7.4

- Expect loan growth at 9% YoY, with a largely stable mix.
- Estimate provisions of INR4.5b v/s INR1.9b QoQ.
- Expect CoF to increase marginally by ~10bp QoQ and yields compression of ~7bp. We factor in largely stable spreads at ~1.9% sequentially.
- Watch out for commentaries on asset quality in the developer segment and margin trajectory

Quarterly Performance

(INR M)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	48,253	46,734	50,006	51,893	53,345	54,946	56,594	63,086	1,96,885	2,27,972
Interest Expenses	35,500	35,060	35,460	35,518	36,938	39,524	42,686	46,342	1,41,537	1,65,490
Net Interest Income	12,753	11,674	14,546	16,375	16,407	15,422	13,908	16,744	55,348	62,482
YoY Growth (%)	4.5	-5.7	13.6	8.8	28.7	32.1	-4.4	2.3	5.5	12.9
Fees and other income	338	416	698	1,193	320	392	566	904	2,646	2,182
Net Income	13,091	12,090	15,244	17,568	16,727	15,814	14,474	17,648	57,994	64,663
YoY Growth (%)	7.9	-5.7	14.7	11.8	27.8	30.8	-5.1	0.5	7.5	11.5
Operating Expenses	2,815	2,609	2,070	2,500	2,421	2,401	2,194	2,292	9,994	9,308
Operating Profit	10,276	9,481	13,174	15,069	14,306	13,413	12,280	15,356	48,000	55,356
YoY Growth (%)	-4.5	-15.4	13.5	12.7	39.2	41.5	-6.8	1.9	2.3	15.3
Provisions and Cont.	8,346	6,392	3,556	1,925	4,500	4,500	4,000	2,441	20,218	15,441
Profit before Tax	1,929	3,090	9,619	13,144	9,806	8,913	8,280	12,915	27,782	39,915
Tax Provisions	395	611	1,945	1,958	1,961	1,783	1,656	2,583	4,909	7,983
Net Profit	1,534	2,479	7,673	11,186	7,845	7,131	6,624	10,332	22,873	31,932
YoY Growth (%)	-81.2	-68.7	5.5	180.4	411.3	187.7	-13.7	-7.6	-16.3	39.6

Mahindra Financial Services

Buy
CMP INR179 | TP: INR210 (+18%)
EPS CHANGE (%): FY23 | 24: -1.3 | 7.5

- Reported disbursements grew ~3% QoQ in 1QFY23.
- Expect margins to improve QoQ driven by better yields and ~8bp QoQ increase in CoF.
- Estimate credit costs of INR5.4b (~3.3% annualized) including write-offs of INR2b.
- Guidance on asset quality, margins and loan-growth will be the key monitorables.

Quarterly Performance

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Operating Income	21,760	25,079	25,317	24,424	25,387	25,168	25,455	27,071	96,580	1,03,081
Other Income	111	145	114	239	150	175	200	206	609	731
Total income	21,871	25,224	25,430	24,664	25,537	25,343	25,655	27,277	97,189	1,03,811
YoY Growth (%)	-17.6	-4.8	-1.2	-6.5	16.8	0.5	0.9	10.6	-7.6	6.8
Interest Expenses	10,179	10,151	9,514	9,514	9,704	10,384	11,318	12,478	39,359	43,884
Net Income	11,691	15,073	15,916	15,150	15,833	14,959	14,336	14,799	57,830	59,927
YoY Growth (%)	-15.9	5.6	12.4	-2.2	35.4	-0.8	-9.9	-2.3	-0.1	3.6
Operating Expenses	4,203	4,910	5,294	6,170	5,296	5,499	5,717	6,260	20,577	22,773
Operating Profit	7,488	10,163	10,623	8,979	10,536	9,460	8,619	8,539	37,253	37,154
YoY Growth (%)	-28.3	-1.4	6.4	-15.1	40.7	-6.9	-18.9	-4.9	-10.4	-0.3
Provisions	28,186	-3,668	-1,474	639	5,445	5,000	4,000	3,279	23,683	17,724
Profit before Tax	-20,698	13,831	12,096	8,341	5,091	4,460	4,619	5,259	13,570	19,430
Tax Provisions	-5,411	3,602	3,158	2,333	1,324	1,160	1,201	1,406	3,682	5,091
Net Profit	-15,288	10,229	8,939	6,008	3,768	3,300	3,418	3,853	9,888	14,339
YoY Growth (%)	-1,121.3	237.0	-426.1	300.6	-124.6	-67.7	-61.8	-35.9	195.0	45.0

MAS Financial

Buy
CMP INR511 | TP: INR720 (+41%)
EPS CHANGE (%): FY23 | 24: -6.0 | -5.7

- Expect AUM to grow 7% QoQ/ ~29% YoY.
- Watch out for commentary on asset quality in partnered NBFCs.
- Expect margins to largely remain stable QoQ
- Expect provisions of INR75m in 1QFY23 (increasing by ~100% QoQ on a lower base).

Quarterly Performance

(INR M)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Revenue from Operations	1,485	1,567	1,718	1,804	1,929	2,101	2,282	2,465	6,574	8,778
Interest Income	1,283	1,352	1,473	1,590	1,709	1,863	2,031	2,056	5,697	7,659
Gain on assignments	149	155	175	147	158	172	188	282	625	800
Other operating Income	53	61	70	67	62	66	64	127	252	318
Interest expenses	699	759	831	905	978	1,066	1,172	1,270	3,195	4,486
Total income	786	808	887	899	951	1,036	1,110	1,194	3,379	4,291
Growth Y-o-Y (%)	-13.7	-1.6	13.4	15.1	21.1	28.2	25.2	32.9	2.6	27.0
Operating Expenses	149	203	280	294	254	240	302	295	926	1,090
Operating Profits	636	605	607	605	698	796	808	900	2,453	3,201
Growth Y-o-Y (%)	-19.2	-13.1	-4.5	5.3	9.6	31.6	33.1	48.7	-8.4	30.5
Provisions	141	90	68	38	75	117	117	159	336	468
Profit before tax	495	515	539	567	623	679	691	741	2,117	2,733
Growth Y-o-Y (%)	1.3	12.9	11.4	13.5	25.7	31.8	28.2	30.5	9.7	29.1
Tax Provisions	127	132	138	142	159	173	176	189	538	697
Net Profit	368	383	401	426	464	506	515	552	1,578	2,036
Growth Y-o-Y (%)	0.6	12.0	10.8	16.6	26.0	32.0	28.3	29.6	10.0	29.0

Muthoot Finance

Buy

CMP INR 1,064 | TP: INR1,240 (+16%)

EPS CHANGE (%): FY23|24: -8.1|-2.3

- Estimate muted standalone AUM growth of ~2% QoQ driven by weak gold loan demand in below INR100K ticket size segment and high competition.
- Building in a ~20bp sequential expansion in margins and spreads.
- Expect improvement in both Stage 2 and Stage 3 loans
- Watch out for commentaries on gold loan demand and margin guidance for FY23.

Quarterly Performance

(INR M)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Income from operations	26,837	27,920	28,394	26,410	27,994	28,834	29,699	30,760	1,09,560	1,17,287
Other operating income	301	385	288	289	318	350	385	437	1,263	1,490
Total Operating income	27,138	28,304	28,682	26,699	28,312	29,184	30,084	31,197	1,10,823	1,18,777
YoY Growth (%)	13.8	9.6	3.7	-5.5	4.3	3.1	4.9	16.8	5.0	7.2
Other income	11	29	36	85	20	32	43	55	161	150
Total Income	27,149	28,333	28,718	26,784	28,332	29,216	30,127	31,252	1,10,984	1,18,927
YoY Growth (%)	13.8	9.6	3.4	-5.3	4.4	3.1	4.9	16.7	5.0	7.2
Interest Expenses	9,822	9,794	9,533	9,208	9,761	10,444	11,175	12,195	38,358	43,576
Net Income	17,327	18,539	19,185	17,575	18,571	18,772	18,951	19,057	72,626	75,351
Operating Expenses	3,989	4,397	4,519	5,357	4,309	4,617	4,745	5,740	18,262	19,410
Operating Profit	13,338	14,142	14,666	12,218	14,263	14,155	14,207	13,317	54,364	55,941
YoY Growth (%)	17.0	16.8	5.5	-10.2	6.9	0.1	-3.1	9.0	6.6	2.9
Provisions	337	744	889	-700	101	312	312	211	1,270	936
Profit before Tax	13,001	13,398	13,777	12,918	14,162	13,843	13,895	13,105	53,094	55,005
Tax Provisions	3,290	3,458	3,488	3,315	3,682	3,599	3,613	3,144	13,551	14,038
Net Profit	9,712	9,940	10,289	9,603	10,480	10,244	10,282	9,961	39,543	40,967
YoY Growth (%)	15.5	11.1	3.8	-3.6	7.9	3.1	-0.1	3.7	6.2	3.6

Manappuram Finance

Buy

CMP INR91 | TP: INR125 (+38%)

EPS CHANGE (%): FY23|24: 3.8|0.0

- Expect gold AUM to remain flat sequentially and consolidated AUM to grow ~2% QoQ
- Factored in a margin expansion of ~50bp QoQ and spread expansion of ~60bp on the consolidated book.
- Expect credit costs to decline to ~1.4% in 1QFY23 (v/s 2% in 4QFY22)
- Watch out for commentaries on demand in gold loans and asset quality in the MFI and Vehicle segments.

Quarterly Performance

(INR M)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	15,216	14,787	14,461	13,933	14,491	15,215	15,976	16,702	58,397	62,383
Interest Expenses	4,931	4,924	5,311	4,948	5,196	5,507	5,838	6,664	20,114	23,205
Net Interest Income	10,285	9,863	9,151	8,985	9,295	9,708	10,138	10,038	38,283	39,179
YoY Growth (%)	13.2	1.0	-11.6	-14.5	-9.6	-1.6	10.8	11.7	-3.6	2.3
Other income	521	758	607	980	626	909	729	1,065	2,866	3,328
Total Income	10,806	10,621	9,758	9,965	9,920	10,617	10,867	11,103	41,149	42,507
Operating Expenses	3,720	4,593	5,228	4,912	5,018	5,219	5,427	5,322	18,453	20,986
Operating Profit	7,086	6,028	4,530	5,053	4,903	5,398	5,439	5,782	22,696	21,521
YoY Growth (%)	11.1	-7.6	-38.6	-30.7	-30.8	-10.5	20.1	14.4	-17.7	-5.2
Provisions	1,223	1,078	1,048	1,514	1,100	1,100	926	579	4,862	3,706
Profit before Tax	5,864	4,950	3,482	3,539	3,803	4,298	4,513	5,202	17,835	17,815
Tax Provisions	1,495	1,252	872	930	970	1,096	1,151	1,327	4,548	4,543
Net Profit	4,369	3,699	2,610	2,610	2,833	3,202	3,362	3,876	13,286	13,273
YoY Growth (%)	18.7	-8.8	-46.0	-44.3	-35.2	-13.4	28.8	48.5	-23.0	-0.1

PNB Housing Finance**Neutral****CMP INR330 | TP: INR370 (+12%)****EPS CHANGE (%): FY23|24: 17.3|18.5**

- Rebalancing portfolio towards Retail to result in a moderation in AUM growth (-8% YoY).
- Expect provisions to decline to INR1.24b in 1QFY23 from INR1.45b in 4QFY22.
- Spreads likely to decline ~15bp sequentially to 1.9%.
- Watch out for commentaries on asset quality of the corporate loan book and disbursement trajectory

Quarterly performance**(INR M)**

	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	16,114	14,999	14,112	12,995	13,255	14,448	15,748	16,436	58,220	59,886
Interest Expenses	11,029	10,348	9,961	9,307	9,586	10,257	10,975	11,833	40,645	42,651
Net Interest Income	5,085	4,651	4,151	3,688	3,669	4,190	4,773	4,603	17,575	17,235
YoY Growth (%)	16.1	-25.1	-18.9	-29.0	-27.9	-9.9	15.0	24.8	-15.9	-1.9
Other income	815	865	844	1,264	900	850	900	1,039	3,787	3,689
Total Income	5,900	5,516	4,995	4,951	4,569	5,040	5,673	5,643	21,363	20,924
YoY Growth (%)	16.0	-19.1	-23.2	-27.6	-22.6	-8.6	13.6	14.0	-15.4	-2.1
Operating Expenses	1,152	1,186	1,163	1,258	1,245	1,305	1,279	1,403	4,760	5,231
YoY Growth (%)	10.6	11.1	16.7	-13.1	8.0	10.0	10.0	11.5	4.5	9.9
Operating Profits	4,748	4,330	3,832	3,693	3,324	3,736	4,394	4,239	16,603	15,693
YoY Growth (%)	17.3	-24.7	-30.4	-31.4	-30.0	-13.7	14.7	14.8	-19.7	-5.5
Provisions	1,595	1,418	1,295	1,455	1,237	1,262	1,287	1,082	5,764	4,868
Profit before Tax	3,153	2,912	2,537	2,238	2,087	2,474	3,107	3,157	10,840	10,825
Tax Provisions	720	560	653	542	470	557	699	710	2,475	2,436
Profit after tax	2,433	2,352	1,885	1,695	1,617	1,917	2,408	2,447	8,365	8,389
YoY Growth (%)	-5.4	-24.9	-18.9	33.5	-33.5	-18.5	27.8	44.3	-8.0	0.3

Repco Home Finance**Buy****CMP INR132 | TP: INR150 (+14%)****EPS CHANGE (%): FY23|24: -1.5|0.4**

- Expect disbursements to grow 140% YoY.
- Estimate loan book to remain flat sequentially with balance transfers remaining elevated
- Expect spreads to expand ~6bp QoQ and credit costs to remain elevated at 1.7% (annualized).
- Watch out for commentary around the asset quality and guidance on disbursements/AUM growth

Quarterly performance**(INR M)**

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	3,205	3,304	3,211	3,084	3,177	3,272	3,370	3,682	12,804	13,502
Interest Expenses	1,757	1,744	1,719	1,680	1,747	1,834	1,944	2,144	6,899	7,670
Net Income	1,448	1,560	1,492	1,405	1,430	1,438	1,426	1,539	5,905	5,832
YoY Growth (%)	13.1	11.7	-3.4	-2.6	-1.2	-7.8	-4.4	9.5	8.4	-1.2
Other income	19	42	44	158	84	84	84	166	262	419
Total Income	1,467	1,602	1,536	1,563	1,514	1,522	1,510	1,704	6,166	6,251
YoY Growth (%)	11.5	13.4	-2.4	0.9	3.3	-4.9	-1.7	9.1	5.4	1.4
Operating Expenses	246	283	344	368	330	331	333	342	1,241	1,335
YoY Growth (%)	4.5	10.2	17.9	2.0	34.0	17.0	-3.2	-7.1	8.4	7.6
Operating Profits	1,221	1,318	1,192	1,195	1,185	1,191	1,178	1,362	4,926	4,916
YoY Growth (%)	13.0	14.1	-7.0	0.6	-2.9	-9.7	-1.2	14.1	4.7	-0.2
Provisions	783	169	765	613	500	350	200	165	2,331	1,215
Profit before Tax	437	1,149	427	582	685	841	978	1,198	2,595	3,701
Tax Provisions	116	290	112	161	178	219	254	319	680	969
Profit after tax	321	859	315	420	507	622	723	879	1,915	2,732
YoY Growth (%)	-49.8	6.3	-60.5	-33.5	57.8	-27.6	129.9	109.2	-33.4	42.6

Shriram City Union Finance

Buy

CMP INR1,743 | TP: INR2,200 (+27%)

EPS CHANGE (%): FY23 | 24: 0.0 | 0.0

- Estimate disbursements of ~INR73b and AUM of ~INR340b reflecting growth of 15% YoY and 2.6% QoQ.
- Spreads and NIMs likely to decline ~10bp QoQ.
- Credit costs expected at 2.4% (v/s 2.2% in 4QFY22).
- Watch out for commentaries on growth and asset quality in the MSME, 2W and PL segments. Digital play also remains a key monitorable.

Quarterly Performance

INR m

Y/E MARCH	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	14,539	15,147	15,891	16,566	16,897	17,235	17,580	19,877	62,142	71,588
Interest expenses	5,746	6,158	6,486	6,936	7,075	7,216	7,361	8,496	25,325	30,147
Net Interest Income	8,793	8,989	9,406	9,630	9,822	10,019	10,219	11,381	36,817	41,441
Y-o-Y Growth (%)	3.1	5.6	7.3	12.2	11.7	11.5	8.7	18.2	7.1	12.6
Fees and Other Income	417	696	1,124	933	731	1,180	979	1,072	3,169	3,962
Net Operating Income	9,210	9,685	10,530	10,562	10,553	11,199	11,198	12,453	39,986	45,403
Y-o-Y Growth (%)	5.0	10.0	14.7	13.6	14.6	15.6	6.4	17.9	10.9	13.5
Operating Expenses	3,517	3,890	4,472	4,628	4,720	4,815	4,911	3,804	16,507	18,250
Operating Profit	5,693	5,795	6,058	5,935	5,833	6,384	6,287	8,649	23,480	27,153
Y-o-Y Growth (%)	0.5	3.1	8.1	7.6	2.5	10.2	3.8	45.7	4.8	15.6
Provisions	2,901	2,029	2,184	1,762	2,000	2,040	2,081	3,577	8,876	9,698
Profit before Tax	2,792	3,766	3,873	4,173	3,833	4,344	4,207	5,072	14,604	17,455
Tax Provisions	712	943	948	1,148	997	1,130	1,094	1,263	3,751	4,483
Net Profit	2,080	2,823	2,925	3,025	2,836	3,215	3,113	3,808	10,853	12,973
Y-o-Y Growth (%)	8.2	9.9	4.6	7.3	36.4	13.9	6.4	25.9	7.4	19.5

Shriram Transport Finance

Buy

CMP INR1,266 | TP: INR1,500 (+19%)

EPS CHANGE (%): FY23 | 24: -6.0 | 0.2

- Expect disbursements of ~INR148b and AUM growth of ~9% YoY/ ~2% QoQ
- Model credit costs of ~2.3% in 1QFY23 with a minor sequential deterioration in the asset quality.
- Estimate normalized spreads and margins to remain stable sequentially (adjusted for the one-offs in 4QFY22)
- Watch out for commentaries on AUM growth, margins, asset quality and progress on the announced merger.

Quarterly Performance

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E
	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23		
Interest Income	44,793	45,784	46,607	49,282	48,789	50,009	51,509	53,385	1,86,463	2,03,691
Interest expenses	24,981	24,352	23,973	24,037	24,758	26,244	27,818	29,768	97,343	1,08,589
Net Interest Income	19,812	21,432	22,634	25,244	24,030	23,765	23,690	23,617	89,120	95,102
Change YoY (%)	7.9	5.2	5.5	19.3	21.3	10.9	4.7	-6.4	10.4	6.7
Other Operating Income	1,688	1,194	1,672	1,535	1,565	1,596	1,628	1,786	6,089	6,576
Other Income	34	50	45	60	37	54	49	73	191	213
Net Income	21,534	22,676	24,351	26,839	25,633	25,416	25,368	25,476	95,399	1,01,892
Change YoY (%)	14.7	8.6	10.3	21.4	19.0	12.1	4.2	-5.1	13.8	6.8
Operating Expenses	4,791	5,507	5,275	5,725	5,411	5,999	6,188	6,843	21,298	24,441
Operating Profit	16,743	17,169	19,076	21,114	20,222	19,417	19,179	18,633	74,101	77,451
Change YoY (%)	12.0	8.9	14.7	27.1	20.8	13.1	0.5	-11.8	15.8	4.5
Provisions	14,396	6,762	9,843	7,608	7,380	7,380	7,380	9,556	38,609	31,696
Profit before Tax	2,347	10,407	9,233	13,506	12,842	12,037	11,799	9,077	35,493	45,755
Tax Provisions	648	2,694	2,427	2,645	3,339	3,130	3,068	1,902	8,413	11,439
Net Profit	1,699	7,712	6,806	10,861	9,503	8,907	8,732	7,174	27,079	34,316
Change YoY (%)	-46.9	12.7	-6.5	43.9	459.2	15.5	28.3	-33.9	8.9	26.7

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd.. (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may: (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts", and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.:022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.