

L&T Finance

Estimate changes 

TP change 

Rating change 

Bloomberg	LTF IN
Equity Shares (m)	2490
M.Cap.(INRb)/(USDb)	459.5 / 5.5
52-Week Range (INR)	194 / 117
1, 6, 12 Rel. Per (%)	-3/-5/16
12M Avg Val (INR M)	1372

Financials Snapshot (INR b)

Y/E MARCH	FY24	FY25E	FY26E
NII	75.4	91.0	113.8
PPOP	51.7	61.9	80.0
NP	23.2	29.2	37.7
EPS (Rs)	9.3	11.7	15.2
EPS Gr. (%)	42.4	26.0	29.2
BV/Share	94	103	116

Ratios

NIM (%)	9.6	10.0	10.0
C/I ratio (%)	40.4	40.1	37.1
RoA (%)	2.2	2.6	2.7
RoE (%)	10.3	11.9	13.9
Payout (%)	26.9	26.0	22.5

Valuations

P/E (x)	19.9	15.8	12.2
P/BV (x)	2.0	1.8	1.6

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	66.4	65.9	66.1
DII	11.7	8.7	5.3
FII	7.3	11.1	13.9
Others	14.7	14.4	14.7

FII Includes depository receipts

CMP: INR185

TP: INR230 (+25%)

Buy

Earnings in line; strong retail momentum continues

NIM improves ~15bp QoQ; asset quality stable

- L&T Finance (LTF) posted ~29% YoY PAT growth to INR6.9b (in line) in 1QFY25. PPOP grew ~19% YoY to ~INR14.7b (in line), while credit costs stood at INR5.4b, translating into annualized credit costs of 2.5% (PQ: 3.2% and PY: 2.6%). Last quarter, it had a one-off impact of ~INR1.75b of additional provisions on security receipts (SRs). Consol. RoA/RoE stood at ~2.7%/11.6%.
 - Retail assets contributed ~95% to the loan mix (PQ: 94%). Retail loans grew ~31% YoY, fueled by healthy growth in MFI, 2Ws, home loans, and SME. LTF continued to calibrate growth in personal loans, which grew ~11% YoY.
 - Management anticipates further improvement in the rural business trajectory, supported by positive monsoon trends and improvements in rural cashflows. We model a total loan CAGR of ~25% and PAT CAGR of 28% over FY24-FY26E, with consolidated RoA/RoE of 2.7%/~14% in FY26E.
 - LTF has transformed itself into a retail franchise and would continue to deliver a sustained improvement in profitability and RoA expansion.
- Reiterate BUY with a TP of INR230 (based on 2.0x FY26E BVPS).**

Asset quality stable aided by prudent credit assessments and guardrails

- LTF has maintained a strong focus on collections. Driven by disciplined credit assessment and supported by stringent internal guardrails, its asset quality remained broadly stable, with consolidated GS3/NS3 at 3.15%/0.8%. Stage 3 PCR was also stable at ~75% during the quarter.
- Retail GS3 declined ~5bp QoQ to 2.8%, while Retail NS3 was stable at 0.6%.
- Management guided that over the next 10-12 quarters, there will be resolutions in the SR portfolio that might result in provision releases and recoveries. We model total credit costs (as % of average assets) of ~2.0%/2.1% in FY25/FY26E.

NIM expansion supported by an improving retail mix

- Reported NIM rose ~15bp QoQ to 9.3%. However, Consol. NIMs + Fees declined ~15bp QoQ to 11.1% in 1QFY25, due to a sequential decline in fee income. 4QFY24 fee had a one-time positive income impact of ~20bp.
- Spreads (calc.) rose ~10bp QoQ to ~9%. CoB declined ~10bp QoQ to 6.9%. Management guided that it will maintain yields in a way to prevent any compression in its NIM + Fee income. We model NIMs of ~10% in FY25/26.

Key highlights from the management commentary

- Both secured and unsecured businesses of LTF will grow, resulting in a largely stable secured-unsecured product mix. The company is taking a calibrated approach to growing its personal loan portfolio and has also incorporated manual underwriting in its credit decisioning.
- Collections and asset quality are holding up well in the MFI business, which is largely an outcome of the discipline in collections and better customer selection. Management does not expect any impact of MFIN directives on LTF's loan growth or asset quality.

Research analyst – **Abhijit Tibrewal** (Abhijit.Tibrewal@motilaloswal.com)

Nitin Aggarwal (nitin.aggarwal@motilaloswal.com) | **Gautam Rawtani** (gautam.rawtani@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.

Valuation and view

- LTF has invested in process automation, security, and customer journeys. This, along with partnerships with e-aggregators, should lead to a stronger and more sustainable retail loan growth. Over the past few quarters, the company has consistently delivered strong growth in its retail loan book.
- We estimate a PAT CAGR of 28% over FY24-26, with a consolidated RoA/RoE of 2.7%/~14.0% in FY26. We reiterate our **BUY rating on the stock with a TP of INR230 (based on 2.0x FY26E BVPS)**.

Quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E	1QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	31,165	31,685	33,063	33,226	34,526	36,253	39,515	40,674	129,139	150,968	34,887	-1
Interest Expenses	13,638	13,249	13,534	13,351	13,514	14,460	15,472	16,507	53,772	59,953	13,885	-3
Net Interest Income	17,527	18,436	19,529	19,875	21,012	21,792	24,043	24,167	75,367	91,015	21,002	0
Change YoY (%)	14.3	11.9	7.2	12.6	19.9	18.2	23.1	21.6	11.4	20.8	19.8	
Other Operating Income	1,068	453	2,277	3,492	3,318	2,613	400	1,494	6,667	7,825	2,822	18
Net Operating Income	18,596	18,889	21,805	23,367	24,330	24,406	24,443	25,661	82,034	98,839	23,824	2
Change YoY (%)	11.7	7.5	12.9	31.9	30.8	29.2	12.1	9.8	15.1	20.5	28.1	
Other income	1,535	2,682	473	56	2	1,609	1,750	1,147	4,745	4,508	767	-100
Total Income	20,130	21,572	22,278	23,422	24,332	26,015	26,193	26,807	86,779	103,347	24,591	-1
Change YoY (%)	11.1	15.0	11.9	18.7	20.9	20.6	17.6	14.5	13.4	19.1	22.2	
Operating Expenses	7,782	8,598	8,896	9,803	9,656	10,403	10,497	10,934	35,079	41,490	9,650	0
Change YoY (%)	18.3	25.2	19.9	24.6	24.1	21.0	18.0	11.5	22.1	18.3	24.0	
Operating Profits	12,348	12,974	13,382	13,619	14,676	15,612	15,696	15,873	51,701	61,857	14,942	-2
Change YoY (%)	6.9	9.1	7.2	7.3	18.9	20.3	17.3	16.6	6.3	19.6	21.0	
Provisions	5,212	5,000	5,142	6,679	5,453	5,948	5,701	5,822	21,410	22,924	6,094	-11
Profit before Tax	7,136	7,974	8,240	6,940	9,223	9,664	9,995	10,052	30,290	38,933	8,847	4
Tax Provisions	1,831	2,032	1,847	1,410	2,370	2,464	2,549	2,350	7,119	9,733	2,079	14
Profit after tax	5,309	5,951	6,402	5,539	6,855	7,200	7,446	7,702	23,171	29,200	6,768	1
Change YoY (%)	103	47	41	11	29	21	16	39	43	26	28	
Key Operating Parameters (%)												
Rep. Net Income (% of Avg Assets)	9.64	10.84	10.92	11.25	11.08							
Rep. Cost of funds (%)	7.77	7.79	7.81	7.82	7.85							
Cost to Income Ratio	38.7	39.9	39.9	41.9	39.7							
Rep Credit Cost	2.33	2.58	2.52	3.23	2.37							
Tax Rate	25.7	25.5	22.4	20.3	25.7							
Balance Sheet Parameters												
Gross Customer Assets (INR B)	786	787	818	856	887							
Change YoY (%)	-10.8	-12.6	-7.5	5.8	12.9							
Borrowings (INR B)	754	766	760	765	803							
Change YoY (%)	-7.8	-10.3	-11.9	-7.8	6.5							
Customer Assets /Borrowings (%)	104	103	108	112	110							
Asset Quality Parameters (%)												
GS 3 (INR B)	31.7	25.8	26.3	27.0	27.9							
Gross Stage 3 (%)	4.0	3.3	3.2	3.2	3.1							
NS 3 (INR B)	9.1	6.3	6.5	6.6	6.9							
Net Stage 3 (%)	1.6	0.8	0.8	0.8	0.8							
PCR (%)	71.4	75.7	75.3	75.5	75.3							
Return Ratios (%)												
ROAA	2.1	2.4	2.5	2.2	2.7							
ROAE	9.4	10.8	11.4	9.5	11.6							

E: MOFSL Estimates

Retail momentum continues; MFI, 2Ws, and home loans deliver strong growth

- Total disbursements grew 21% YoY to ~INR150b, driven by ~33% YoY growth in retail disbursements to ~INR148b in 1QFY25. Wholesale disbursements declined ~85% YoY to INR1.8b.
- The total loan book grew ~13% YoY and ~4% QoQ to ~INR887b. Wholesale loans continued to run down and declined ~70% YoY to ~INR43b (PQ: ~INR55b).
- LTF shared that ~40% of its MFI customers are exclusive and non-leveraged. With plans to add ~250-300 MFI branches, the company aims to reduce its dependency on its top three states—Tamil Nadu, Karnataka, and Bihar—while upholding high standards in center meeting discipline and attendance.
- LTF has reached a penetration level of ~75% in its 2W dealer network, and it plans to deepen its penetration to ~85%. In addition, LTF plans to introduce loyalty programs for its dealerships, which will aid in getting preferential lead allotment. The company expects 2W demand to remain robust supported by favorable monsoons and healthy rural cashflows.
- In the retail segment, MFI, home loans, 2Ws, and SME continued to exhibit strong growth, with retail now contributing ~95% to the loan mix. We model a total loan CAGR of ~25% over FY24-26E.



Highlights from the management commentary

Business update

- Highest-ever quarterly PAT of ~INR6.86b (up 29% YoY) and the steady-performance trajectory will continue through the course of FY25.
- Retail quarterly disbursements at INR148.4b (up 33% YoY). Disbursements remained almost at the same levels as the last quarter.

Quarterly performance

- Retail mix stood at ~95%
- Retail loan book grew 31% YoY
- Consol. GS3/NS3 stood at 3.14%/0.8% as of Jun'24
- Consol. RoA stood at 2.7% in 1QFY25. LTF is working towards improving the consol. RoA to be in the range of 2.8-3.0%
- NIM + Fees rose ~145bp YoY
- Weighted CoB remained stable
- Retail book stood at INR844b, up 31% YoY; Consol. loan book grew 13% YoY

Outlook on monsoons and rural/urban consumption

- Urban consumption is expected to remain steady and there should be buoyancy in rural consumption
- Rainfall in Jul'24 has wiped out the ~10% deficit of Jun'24.

Rural business finance

- Highest-ever quarterly disbursements of INR57.7b
- With the current positive monsoon trajectory, the business should improve

Urban business finance

- 2W business: Disbursements were up 52% YoY, aided by activation of new dealership points.
- LTF achieved ~150% YoY growth in electric 2W finance
- Personal loan disbursements stood at INR11.78b. Book size was ~INR66.6b, up 11% YoY. Risk calibrated growth was focused on salaried prime customers through addition of DSAs.
- SME finance stood at INR44.7b

MFI business

- Collections efficiency and collections discipline are a culture.
- Prudent credit assessment and various guardrails which have been put in place
- ~40% of LTF's customers are exclusive customers who are non-leveraged.
- Guided for portfolio quality to remain stable and confident of delivering strong loan growth. Asset quality metrics are quite satisfactory.
- It keeps a watch on the leverage levels of the customer - this has helped LTF maintain high CE on the ground.
- TN, KAR, and Bihar are the top 3 states. Asset quality, in all these states, was stable. It is trying to reduce the over-dependence on all its three states.
- Will be looking to add 250-300 MFI branches over the next one year.

- MFIN guardrails does not impact LTF, since its internal guardrails are already more stringent than those put out by MFIN. The company does not lend to customers who have more than three lenders (including LTF) and it already had a maximum capping.
- Center meeting discipline has been good and the company has not received any adverse feedback on laxity in attendance in center meetings.

Personal loans (PL)

- Focused on prime and near-prime for salaried individuals. Being very cautious and judicious on personal loans.
- Earlier used to do machine learning algorithm-based underwriting and has now introduced even manual underwriting in PL.

Home loans

- Average yields in Home Loans are in the range of ~9% (prime and near-prime segments).
- Launch of complete Home Loan offering by LTFH - Home Decor Finance has witnessed good customer acceptance

Two-Wheelers

- India sells 1.2-1.4m two-wheelers per month; LTFH is present in the prime and near-prime segments and it weeded out the sub-prime segments.
- Currently, it has ~75% penetration of the dealer universe and it wants to increase the penetration to ~85%. It is also working on introducing the loyalty program for its dealer partners so that it gets the leads on a preferential basis.
- Focus area is to reduce the "approved but not disbursed" cases
- Has put up a separate EV channel and a separate Superbike channel.
- ATS of 2W Finance has been going up
- It is increasing distribution, improving customer quality, and raising the 2W ticket sizes.
- 2W demand should do well on the back of good monsoons and demand should further improve by the festive period
- Prime IRR: 15% and Non-Prime IRR: 19% and Blended IRR in 2W is 17.5%

Five Pillar Strategy

- Customer acquisition: Deepening the customer acquisition funnel both horizontally and vertically
- Sharpening Credit Underwriting: Deployment of beta version of proprietary credit underwriting engine called 'Cyclops'
- Implementing Futuristic Digital Architecture: Optimizing digital journeys to eliminate chokepoints
- Heightened Brand Visibility: Integrated Home Decor Finance is the first in the industry. Marketing Campaign for the 2W business is next-in-line
- Capability Building: 3-Tier Compliance structure reporting to Chief Compliance Office

Security Receipts

- Over the next 10-12 quarters, there will be resolutions in the SR portfolio, which will result in provision releases and recoveries.

Liabilities

- Average borrowings in 1QFY25 stood at INR691b (Average borrowings stood at INR705.6b in 1QFY24)

Yields and Margins

- Wholesale (portfolio) yields stood at 11.5-12.0%; Retail yields (portfolio basis) stood at 16%
- Yields will be maintained at levels so that there is no impact on NIM + Fee income.

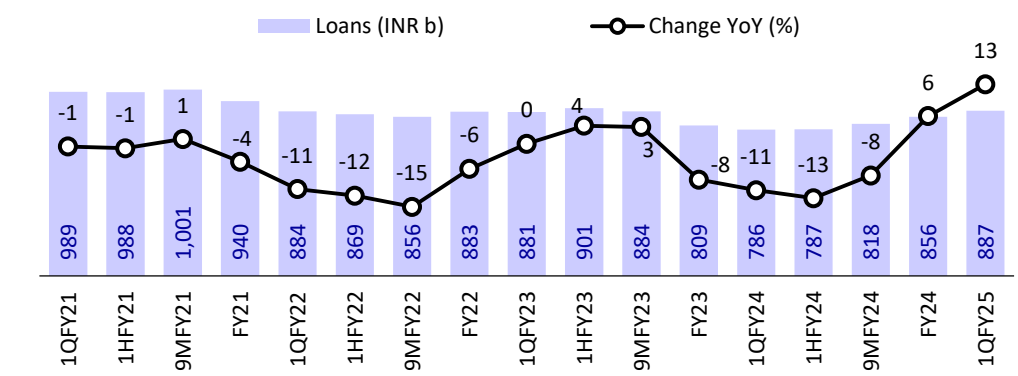
Others

- Investments in technology and brand building will continue for the next couple of quarters.
- Sustained focus on improving the credit parameters
- Calibrating the secured: unsecured loan mix. For the next couple of quarters, there will be growth across both secured and unsecured businesses.
- Piloted microLAP and it has been scaling up - current mix of secured and unsecured will continue for the next few quarter.

Key exhibits

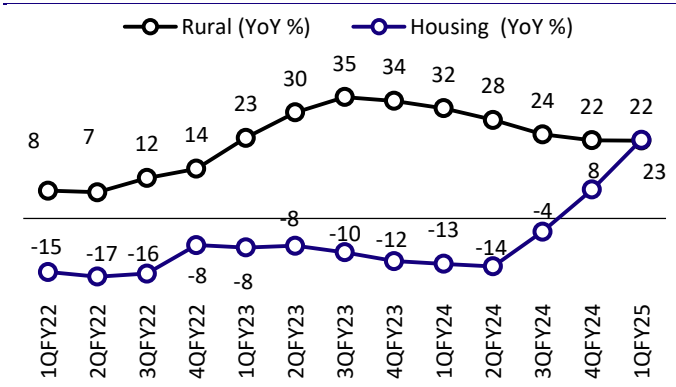
Loan book increased 13% YoY to ~INR887b

Exhibit 1: Loan book grew 4% QoQ, driven by retail book (%)



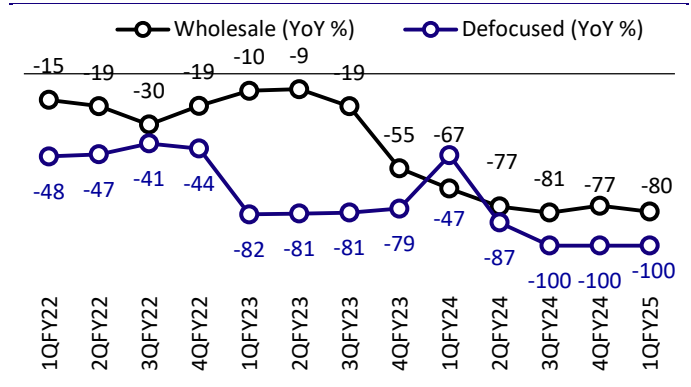
Source: MOFSL, Company

Exhibit 2: Housing finance book (including wholesale RE) increased 22% YoY



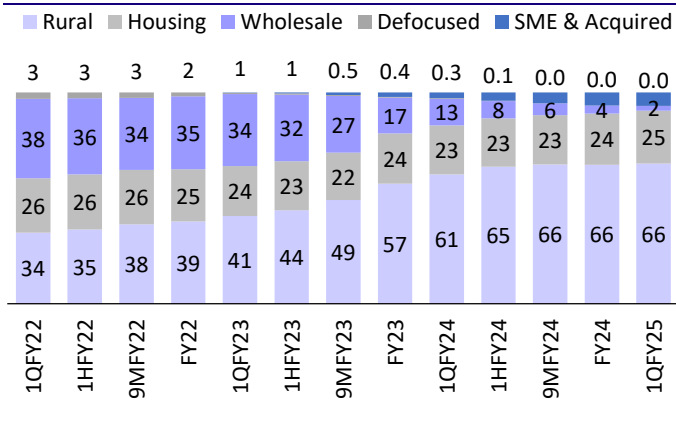
Source: MOFSL, Company

Exhibit 3: Wholesale book declined 80% YoY



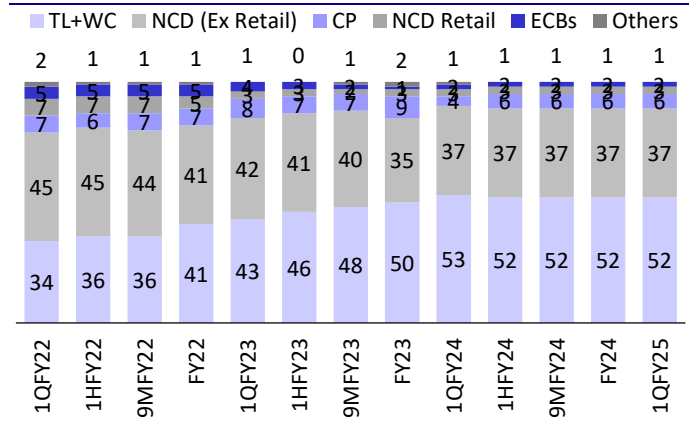
Source: MOFSL, Company

Exhibit 4: Rural finance in loan mix remained stable (%)



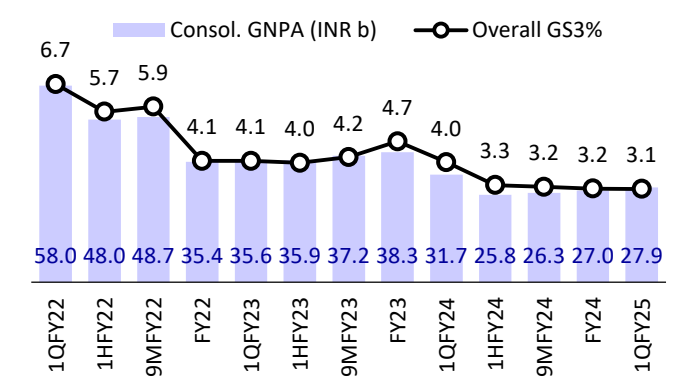
Source: MOFSL, Company

Exhibit 5: Borrowing mix (%)



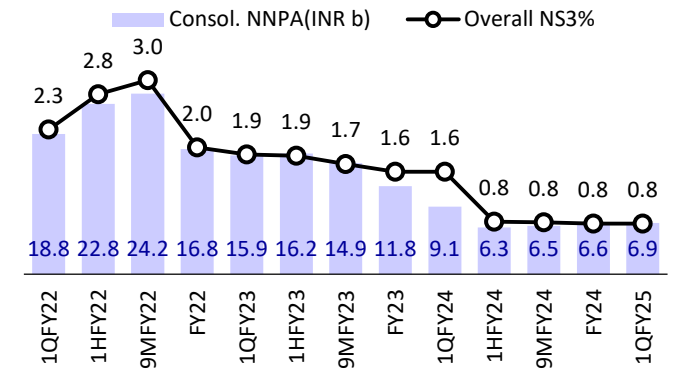
Source: MOFSL, Company

Exhibit 6: GS3 stable QoQ (%)



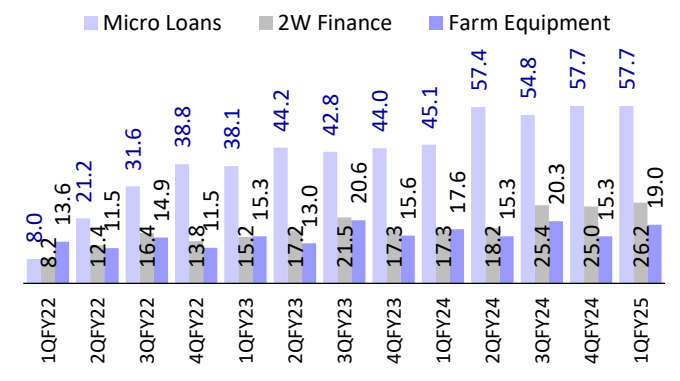
Source: MOFSL, Company

Exhibit 7: NS3 stable QoQ (%)



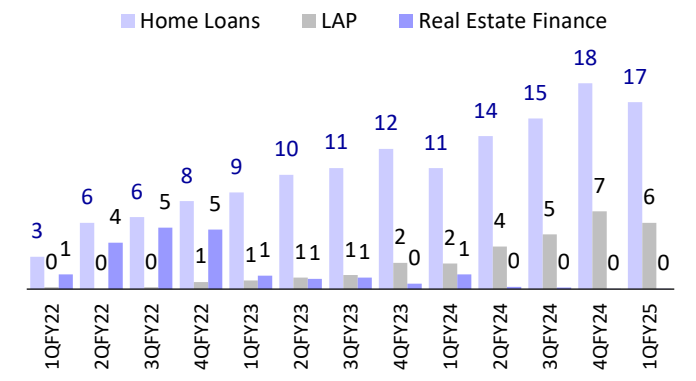
Source: MOFSL, Company

Exhibit 8: Micro-loan disbursements healthy (INR b)



Source: MOFSL, Company

Exhibit 9: LAP disbursements gradually picking up (INR b)



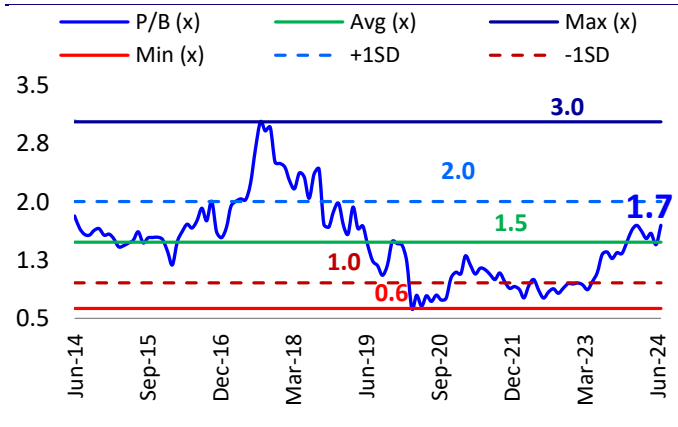
Source: MOFSL, Company

Exhibit 10: We raise our FY25E EPS by ~3% to factor in lower credit costs

INR b	Old estimates			New estimates			% change		
	FY24	FY25	FY26	FY24	FY25	FY26	FY24	FY25	FY26
Total Income	86.8	103.0	126.7	86.8	103.3	127.3	0.0	0.3	0.4
Operating Expenses	35.1	40.3	45.7	35.1	41.5	47.3	0.0	3.0	3.5
Operating Profits	51.7	62.7	81.1	51.7	61.9	80.0	0.0	-1.4	-1.3
Provisions	21.4	24.8	30.1	21.4	22.9	29.7	0.0	-7.5	-1.2
PBT	30.3	38.0	51.0	30.3	38.9	50.3	0.0	2.5	-1.4
Tax	7.1	9.5	12.8	7.1	9.7	12.6	0.0	2.5	-1.4
PAT	23.2	28.5	38.3	23.2	29.2	37.7	0.0	2.5	-1.4
Loan book	814	1,021	1,292	814	1,013	1,273	0.0	-0.8	-1.5
Borrowings	765	991	1,240	765	962	1,209	0.0	-2.9	-2.5

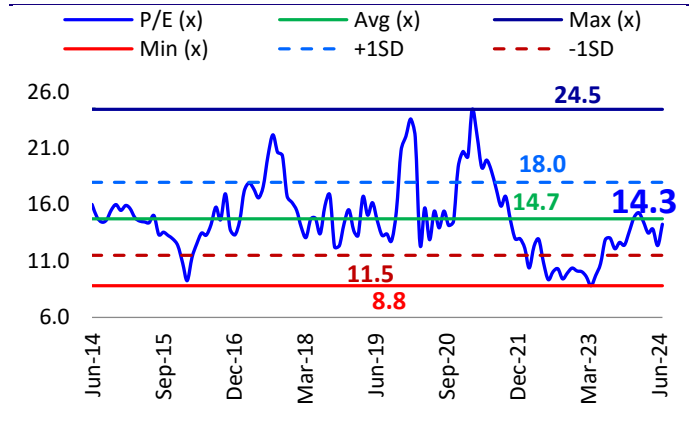
Source: MOFSL, Company

Exhibit 11: One-year forward P/B



Source: MOFSL, Company

Exhibit 12: One-year forward P/E



Source: MOFSL, Company

Financials and Valuation

Income statement								(INR m)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	
Interest Income	1,16,403	1,32,447	1,31,049	1,17,042	1,25,651	1,29,139	1,50,968	1,90,850	
Interest Expended	68,600	75,136	71,999	57,494	57,972	53,772	59,953	77,083	
Net Interest Income	47,803	57,311	59,049	59,548	67,679	75,367	91,015	1,13,767	
Change (%)	39.8	19.89	3.0	0.8	13.7	11.4	20.8	25.0	
Other Operating Income	13,494	8,594	5,732	6,053	3,569	6,667	7,825	9,017	
Net Operating Income	61,297	65,905	64,782	65,601	71,248	82,034	98,839	1,22,785	
Change (%)	28.7	7.5	-1.7	1.3	8.6	15.1	20.5	24.2	
Other Income	3,118	3,726	6,276	3,928	5,268	4,745	4,508	4,508	
Net Income	64,415	69,632	71,058	69,529	76,515	86,779	1,03,347	1,27,293	
Change (%)	33.7	8.1	2.0	-2.2	10.0	13.4	19.1	23.2	
Operating Expenses	19,215	19,785	19,749	23,946	28,732	35,079	41,490	47,266	
Operating Profits	45,200	49,846	51,309	45,582	47,783	51,701	61,857	80,026	
Change (%)	31.8	10.3	2.9	-11.2	4.8	8.2	19.6	29.4	
Provisions/write offs	14,681	23,046	36,357	30,833	25,404	21,410	22,924	29,713	
PBT	30,520	26,801	14,952	14,750	22,379	30,290	38,933	50,313	
Tax	8,200	9,798	5,463	4,256	6,464	7,119	9,733	12,578	
Tax Rate (%)	26.9	36.6	36.5	28.9	28.9	23.5	25.0	25.0	
PAT before pref dividend	22,320	17,003	9,489	10,494	15,915	23,171	29,200	37,735	
Change (%)	74.7	-23.8	-44.2	10.6	51.7	45.6	26.0	29.2	
Preference Dividend	0	0	0	0	0	0	0	0	
PAT to equity shareholders (incl. extraordinary items)	22,320	17,003	9,489	10,704	16,216	23,171	29,200	37,735	
Change (%)	75	-24	-44	13	52	43	26	29	

Balance sheet								(INR M)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	
Equity Share Capital	19,988	20,048	24,695	24,740	24,797	24,889	24,889	24,889	
Reserves & Surplus	1,14,498	1,26,876	1,63,038	1,74,737	1,90,487	2,09,495	2,32,473	2,62,616	
Borrowings	9,15,070	9,38,945	8,85,558	8,52,012	8,30,435	7,65,409	9,62,346	12,09,002	
Change (%)	21.6	2.6	-5.7	-3.8	-2.5	-7.8	25.7	25.6	
Other liabilities	10,995	9,577	16,427	17,533	17,903	27,383	28,707	30,098	
Total Liabilities	10,60,551	10,95,447	10,89,717	10,69,022	10,63,621	10,27,176	12,48,415	15,26,605	
Loans	9,13,246	9,14,625	8,70,303	8,24,694	7,51,546	8,13,594	10,12,996	12,72,634	
Change (%)	18.5	0.2	-4.8	-5.2	-8.9	8.3	24.5	25.6	
Investments	86,408	59,793	88,721	1,19,169	1,43,662	1,23,849	1,30,041	1,36,543	
Change (%)	63.0	-30.8	48.4	34.3	20.6	-13.8	5.0	5.0	
Net Fixed Assets	11,660	11,621	11,621	5,306	5,573	5,550	5,827	6,119	
Other assets	49,237	1,09,408	1,19,071	1,19,852	1,62,841	84,183	99,550	1,11,309	
Total Assets	10,60,551	10,95,447	10,89,717	10,69,022	10,63,621	10,27,176	12,48,415	15,26,605	

E: MOFSL Estimates

Financials and Valuation

Ratios	(%)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Spreads Analysis (%)								
Avg. Yield on Loans	13.8	14.5	14.7	13.8	15.9	16.5	16.5	16.7
Avg. Cost-Int. Bear. Liab.	8.2	8.1	7.9	6.6	6.9	6.7	6.9	7.1
Loan Spreads	5.6	6.4	6.8	7.2	9.1	9.8	9.6	9.6
NIM on loans	5.7	6.3	6.6	7.0	8.6	9.6	10.0	10.0
Profitability Ratios (%)								
Int. Expended/Int. Earned	58.9	56.7	54.9	49.1	46.1	41.6	39.7	40.4
Other Inc./Net Income	25.8	17.7	16.9	14.4	11.5	13.2	11.9	10.6
Op. Exps./Net Income	29.8	28.4	27.8	34.4	37.6	40.4	40.1	37.1
Empl. Cost/Op. Exps.	42.9	53.7	51.0	47.5	49.1	51.5	53.1	54.1
Provisions/PPoP (%)	32.5	46.2	70.9	67.6	53.2	41.4	37.1	37.1
Asset Quality (%)								
Gross NPAs	55,490	50,370	45,040	35,430	38,320	26,980	28,525	31,991
Gross NPAs to Adv.	5.9	5.3	5.0	4.2	4.7	3.2	2.8	2.5
Net NPAs	21,740	20,780	13,770	16,780	11,780	6,610	7,565	7,856
Net NPAs to Adv.	2.4	2.3	1.6	2.0	1.6	0.8	0.7	0.6
PCR (%)	60.8	58.7	69.4	52.6	69.3	75.5	73.5	75.4
Return ratios and Capitalisation (%)								
RoE	18.0	12.1	5.7	5.5	7.8	10.3	11.9	13.9
RoA	2.3	1.6	0.9	1.0	1.5	2.2	2.6	2.7
Debt to Equity (x)	6.8	6.4	4.7	4.3	3.9	3.3	3.7	4.2
Average Assets/Equity (x)	7.8	7.7	6.5	5.6	5.1	4.6	4.6	5.1
VALUATION								
Book Value (INR)	67.3	73.3	76.0	80.6	86.8	94.2	103.4	115.5
Price-BV (x)	2.7	2.5	2.4	2.3	2.1	2.0	1.8	1.6
Adjusted Book Value (INR)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Price-BV (x)	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
OPS (INR)	11.2	8.5	3.8	4.2	6.4	9.3	11.7	15.2
EPS Growth YoY	74.4	-24.1	-54.7	10.4	51.3	45.0	26.0	29.2
Price-Earnings (x)	16.6	21.8	48.1	43.6	28.8	19.9	15.8	12.2
EPS (INR)	11.2	8.5	3.8	4.3	6.5	9.3	11.7	15.2
EPS Growth YoY	74.4	-24.1	-54.7	12.6	51.2	42.4	26.0	29.2
Price-Earnings (x)	16.6	21.8	48.1	42.8	28.3	19.9	15.8	12.2
Dividend per share (INR)	1.0	0.9	0.0	0.5	2.0	2.5	3.1	3.4
Dividend yield (%)	0.5	0.5	0.0	0.3	1.1	1.4	1.6	1.8

E: MOFSL Estimates

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

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 be 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, Depository participant services & distribution of various financial products. 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://onlinereports.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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.raiani@motilaloswal.com

Contact: (+65) 8328 0276

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 at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- 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.
- 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.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.