

# Repco Home Finance

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	REPCO IN
Equity Shares (m)	63
M.Cap.(INRb)/(USDb)	24.2 / 0.3
52-Week Range (INR)	595 / 308
1, 6, 12 Rel. Per (%)	-4/-5/-15
12M Avg Val (INR M)	96
Free float (%)	62.9

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	6.8	7.3	8.0
PPP	5.5	5.8	6.4
PAT	4.4	4.3	4.6
EPS (INR)	70.2	69.4	73.1
EPS Gr. (%)	11	-1	5
BV/Sh. (INR)	530	594	663
<b>Ratios</b>			
NIM (%)	5.0	4.9	4.8
C/I ratio (%)	27.5	29.0	28.6
RoAA (%)	3.1	2.8	2.7
RoE (%)	14.2	12.3	11.6
Payout (%)	5.7	6.6	6.6
<b>Valuation</b>			
P/E (x)	5.5	5.6	5.3
P/BV (x)	0.7	0.7	0.6
P/ABV (x)	0.8	0.7	0.6
Div. Yield (%)	1.0	1.2	1.2

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	37.1	37.1	37.1
DII	23.3	21.1	18.8
FII	11.2	11.2	14.0
Others	28.5	30.5	30.0

FII Includes depository receipts

**CMP: INR387**

**TP: INR430 (+11%)**

**Neutral**

## Muted loan growth; asset quality stable despite seasonality

### Reported NIM stable QoQ; disbursements rose ~22% YoY

- Repco Home Finance's (Repco) 1QFY26 PAT grew 2% YoY to INR1.1b (6% beat). NII in 1QFY26 grew ~8% YoY to ~INR1.8b (in line). Other income was broadly flat YoY at INR150m. Opex rose ~17% YoY to INR530m (~8% lower than MOFSLe).
- PPOP grew ~4% YoY to INR1.4b (~7% beat). Provision writebacks stood at INR27m, translating into 1QFY26 annualized credit costs of -7bp (PY: 4bp and PQ: -65bp).
- GNPA rose ~5bp QoQ to ~3.3%, while NNPA dipped ~10bp QoQ to ~1.2%. The company increased the PCR on S3 loans by ~220bp QoQ to ~62%. Repco shared that the company has not witnessed any unusual trends or significant deterioration in any state. For the new book (originated post Apr'22), GS2 stood at 5% (vs 9.7% for the overall book) and GS3 stood at 1.1% (vs. 3.3% for the overall book).
- Home loans grew ~4% YoY, while other mortgage loans (including top-ups, CRE, and LAP) rose ~15% YoY. Management has guided for disbursements of INR40b in FY26 with a target AUM of INR160b by Mar'26.
- Management shared that momentum has picked up in Karnataka, with notable improvement in Gujarat and Rajasthan during 1Q. The 30-35 new branches opened over the past 2-3 years are now contributing meaningfully, boosting management's confidence in achieving the ~INR40b disbursement target for FY26.
- Repco's valuation at ~0.6x FY27E P/BV is indeed attractive, but we believe the company will continue to fall short of its loan growth guidance due to: 1) its inability to scale up loan growth in core home loans and 2) a greater focus on improving asset quality and profitability, which is detrimental to loan growth.
- We have made very marginal changes to our FY26/FY27 EPS estimates. We model a loan/PAT CAGR of ~9%/2% over FY25-FY27E. For an RoA/RoE of 2.7%/12% in FY27E, **we reiterate our Neutral rating** on the stock with a revised TP of INR430 (based on 0.7x Mar'27E BVPS).

### Loan growth remains muted; disbursements rise 22% YoY

- Disbursements grew ~22% YoY to INR8.3b in 1QFY26. The loan book grew ~7% YoY to ~INR147b. Run-offs were higher, with repayment rates increasing ~280bp YoY to ~18% (PY: ~17.2%).
- As of Jun'25, the proportion of non-salaried customers remained broadly stable at ~52%, while loans for the salaried segment accounted for 48% share. Housing loans accounted for 72% of the loan book, while Home Equity accounted for 28%.
- Management indicated it is experiencing slightly higher BT-OUTs compared to peers (driven by ~100bp repo rate cut), but has managed the situation effectively so far. Repco is retaining quality customers by offering rate reductions or top-up loans. We estimate a slightly lower loan growth of 9%/10% in FY26/FY27.

### Reported NIM stable QoQ; yields dip ~20bp QoQ

- Reported yields/COB declined ~20bp each QoQ to ~12%/8.7%. This led to stable spreads QoQ at ~3.3%. Reported NIM was stable QoQ at 5.2%.
- Cost-to-income ratio declined ~4pp QoQ to ~26.9% (PY: ~24.7% and PQ: ~30.9%).
- Management shared that its cost of borrowings (CoB) has been declining, and with commercial banks yet to pass on MCLR cuts, management expects the CoB decline to continue over the coming quarters. We model an NIM of 4.9%/4.8% for FY26/FY27 (vs. 5% in FY25), primarily due to a moderation in its yields amid higher competitive intensity in a declining interest rate environment.

### Key highlights from the management commentary

- The company has enhanced its recovery efforts by appointing three dedicated recovery managers in each region, introducing a Board-approved one-time settlement (OTS) scheme, holding monthly mega auctions, and increasing the allocation of accounts to recovery agencies. Its vertical collections model has helped reduce bounce rates from 4-5% previously to around 1-2% currently.
- Management indicated that apart from Maharashtra—where additional manpower deployment is required—the company is experiencing healthy growth across all other states.

### Valuation and view

- Repco's quarterly performance was impacted by muted loan growth, despite a healthy growth in disbursements. Nonetheless, its asset quality continued to strengthen, underscoring the company's commitment to building a high-quality portfolio.
- We will continue to focus on management's ability to deliver on the guided metrics of loan growth and profitability. Similar to the previous fiscal year, we expect credit costs to remain benign due to recoveries from NPA and the written-off pool.
- Although the risk-reward appears favorable at the current valuation of ~0.6x FY27E P/BV, we believe the company will have to start delivering stronger loan growth in its core home loan product to command higher valuations. We reiterate our **Neutral rating with a TP of INR430 (based on 0.7x Mar'27E BVPS)**.

Quarterly performance (INR M)												
Y/E March	FY25				FY26E				FY25	FY26E	1Q	Act v/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY25	FY26E	FY26E	est(%)
Interest Income	4,007	4,051	4,258	4,166	4,257	4,308	4,375	4,429	16,482	17,369	4,229	1
Interest Expenses	2,330	2,396	2,475	2,458	2,441	2,465	2,519	2,602	9,659	10,028	2,475	-1
<b>Net Income</b>	<b>1,677</b>	<b>1,656</b>	<b>1,783</b>	<b>1,708</b>	<b>1,816</b>	<b>1,843</b>	<b>1,856</b>	<b>1,826</b>	<b>6,823</b>	<b>7,341</b>	<b>1,754</b>	<b>4</b>
YoY Growth (%)	8.5	-2.3	9.0	4.9	8.3	11.3	4.1	6.9	4.9	7.6	4.6	
Other income	155	229	196	184	150	200	220	308	764	878	170	-12
<b>Total Income</b>	<b>1,833</b>	<b>1,884</b>	<b>1,978</b>	<b>1,892</b>	<b>1,966</b>	<b>2,043</b>	<b>2,076</b>	<b>2,135</b>	<b>7,587</b>	<b>8,219</b>	<b>1,924</b>	<b>2</b>
YoY Growth (%)	11.8	6.8	11.2	6.9	7.3	8.4	4.9	12.8	9.1	8.3	5.0	
Operating Expenses	452	517	535	584	530	572	601	677	2,088	2,380	578	-8
YoY Growth (%)	15.4	21.2	30.5	21.0	17.2	10.7	12.4	16.0	22.1	14.0	27.8	
<b>Operating Profits</b>	<b>1,380</b>	<b>1,367</b>	<b>1,443</b>	<b>1,308</b>	<b>1,436</b>	<b>1,470</b>	<b>1,475</b>	<b>1,457</b>	<b>5,499</b>	<b>5,839</b>	<b>1,346</b>	<b>7</b>
YoY Growth (%)	10.7	2.2	5.4	1.6	4.1	7.5	2.2	11.4	4.9	6.2	-2.5	
Provisions	14	-160	3	-233	-27	19	19	28	-376	38	11	-
<b>Profit before Tax</b>	<b>1,366</b>	<b>1,528</b>	<b>1,440</b>	<b>1,541</b>	<b>1,463</b>	<b>1,452</b>	<b>1,456</b>	<b>1,430</b>	<b>5,875</b>	<b>5,801</b>	<b>1,335</b>	<b>10</b>
Tax Provisions	312	403	375	392	384	363	378	337	1,481	1,462	314	22
<b>Profit after tax</b>	<b>1,054</b>	<b>1,125</b>	<b>1,066</b>	<b>1,149</b>	<b>1,080</b>	<b>1,089</b>	<b>1,077</b>	<b>1,093</b>	<b>4,394</b>	<b>4,339</b>	<b>1,021</b>	<b>6</b>
YoY Growth (%)	18.4	14.7	7.2	6.4	2.4	-3.2	1.1	-4.9	11.3	-1.3	-3.1	
Loan growth (%)	8.3	8.1	7.4	7.2	7.2	7.6	8.2	8.7	8.2	9.8	7.3	
Cost to Income Ratio (%)	24.7	27.4	27.0	30.9	26.9	28.0	29.0	31.7	27.5	29.0	30.0	
Tax Rate (%)	22.8	26.3	26.0	25.4	26.2	25.0	26.0	23.5	25.2	25.2	23.5	
<b>Key Parameters (%)</b>												
Yield on loans (Cal)	11.8	11.7	12.1	11.6	11.7	11.6	11.5	11.4	12.1	11.7		
Cost of funds (Cal)	8.6	8.6	8.8	8.8	8.8	8.7	8.7	8.7	8.8	8.6		
Spreads (Cal)	3.2	3.1	3.3	2.8	2.9	2.8	2.9	2.7	3.3	3.1		
NIMs (Reported)	5.1	5.1	5.5	5.2	5.2	0.0	0.0	0.0	5.0	4.9		
Credit Cost	0.04	-0.46	0.01	-0.65	-0.07	0.05	0.05	0.07	-0.3	0.0		
Cost to Income Ratio	24.7	27.4	27.0	30.9	26.9	28.0	29.0	31.7	27.5	29.0		
Tax Rate	22.8	26.3	26.0	25.4	26.2	25.0	26.0	23.5	25.2	25.2		
<b>Balance Sheet</b>												
AUM (INR B)	137.0	139.6	141.6	144.9	146.9	150.3	153.2	157.6	144.9	157.6		
Change YoY (%)	8.3	8.1	7.4	7.2	7.2	7.6	8.2	8.7	7.2	8.7		
AUM Mix (%)												
Non-Salaried	51.6	51.8	52.1	52.2	52.3				51.0	51.3		
Salaried	48.4	48.2	47.9	47.8	47.7				49.0	48.7		
AUM Mix (%)												
Home loans	74.3	73.8	74.0	73.0	72.4				73.0	72.0		
LAP	25.7	26.2	26.0	27.0	27.6				27.0	28.0		
Disbursements (INR B)	6.8	8.7	7.6	9.8	8.3	9.8	9.1	10.8	32.8	38.0		
Change YoY (%)	-0.6	8.8	0.3	9.0	21.8	13.0	20.0	10.8	4.8	15.8		
Borrowings (INR B)	109.1	114.6	110.8	111.5	110.7	114.7	117.9	122.1	111.4	122.1		
Change YoY (%)	10.2	14.1	6.9	4.2	1.5	0.1	6.4	9.5	4.1	9.6		
Loans/Borrowings (%)	125.5	121.8	127.8	130.0	132.6	131.0	130.0	129.1	130.1	129.1		
Borrowings Mix (%)												
Banks	79.8	81.4	82.2	82.9	82.1				75.6	77.7		
NHB	10.6	9.5	8.5	7.9	8.4				13.1	12.0		
Repco Bank	9.6	9.1	9.3	9.2	8.2				11.4	10.3		
NCD	0.0	0.0	0.0	0.0	0.0				0.0	0.0		
CP	0.0	0.0	0.0	0.0	1.3				0.0	0.0		
<b>Asset Quality</b>												
GS 3 (INR B)	5.8	5.5	5.5	4.7	4.9				4.7	4.2		
Gross Stage 3 (% on Assets)	4.25	3.96	3.86	3.26	3.30				3.3	2.6		
NS 3 (INR B)	2.23	2.17	2.09	1.91	1.72				1.9	1.5		
Net Stage 3 (% on Assets)	1.7	1.61	1.53	1.36	1.2				1.4	1.0		
PCR (%)	61.8	60.7	61.8	59.6	64.7				59.6	64.0		
<b>Return Ratios (%)</b>												
ROA (Rep)	3.1	3.3	3.1	3.3	2.9				3.1	2.8		
ROE (Rep)	16.3	16.0	14.6	15.1	14.0				14.2	12.3		

E: MOFSL Estimates



## Highlights from the management commentary

### Guidance

- The company is confident of delivering disbursements of INR40b and grow its loan book to ~INR160b by Mar'26.
- It targets to improve GS3 to 2.5% and Stage 2 to 7-8% by end-FY26.
- Repco will be adding 14 new branches in FY26 and upgrading 12 satellite centers to branches. The total network is expected to reach 247 by the end of the year.
- CoB has been declining; commercial banks have still not passed on MCLR cuts. The company expects to raise an NCD of ~INR5b from debt markets. It has guided for CoBs to continue declining over the next few quarters.

### Asset quality and collections

- The company has not experienced anything unusual or any significant deterioration in any of the states.
- It has strengthened its recovery vertical by appointing three recovery managers in each region. Moreover, it has introduced a special OTS (which was approved by the Board yesterday). It is also conducting mega auctions on a monthly basis. The company plans to allocate more accounts to recovery agencies.
- The implementation of the vertical system in collections has reduced bounce rates to 1-2% from 4-5% earlier.

### Disbursements and loan growth

- Momentum is improving in Karnataka. In Gujarat and Rajasthan, the company experienced substantial improvement in 1Q.
- Repco has opened 30-35 branches over the last 2-3 years, which have now started contributing to the business. Achieving disbursements of INR40b will not be a challenge.
- The Karnataka government is introducing solutions for e-Khata/A-Khata/B-Khata. Repco is processing only those cases where e-Khata is available.
- Except for Maharashtra (where the company needs to deploy more manpower), it is seeing healthy growth across all other states.
- Disbursements in Karnataka grew ~10-12% YoY and 7-8% YoY in Telangana.

### Competitive landscape and balance transfers

- The company is retaining customers by offering a reduction in RoI or top-ups. Although it is experiencing pressure on BT-OUT, it has managed the situation effectively so far.
- Repco witnessed a BT-OUT of INR600-650m, and BT-IN stood at ~INR800-850m in 1QFY26.

### Financial performance

- Repco achieved the highest-ever disbursements and sanctions in 1Q.
- AUM stood at INR146.9b and grew 7% YoY. The company reflects strong regional contribution, with Tamil Nadu and Karnataka contributing 60% and 12% to quarterly disbursements.
- The share of Home Equity stood at 28%, and HL stood at 72%.
- GNPA stood at 3.3% (PY: 4.3%) and NNPA stood at 1.19%. The new loan book has shown strong performance, with GS3 at 1.1%.

- Total provisions for NPA stood at ~INR3.14b, with S3 PCR at ~65%. Stage 2 stood at 9.7% (PY: 11.7%).
- Core profitability remained strong, with spreads and NIM of 3.27% and 5.23%, respectively.
- There was a notable improvement in its cost-income ratio.
- PAT stood at INR1.08b (PQ: INR1.05b).
- RoA/RoE stood at 2.9%/14%.

### **Liabilities**

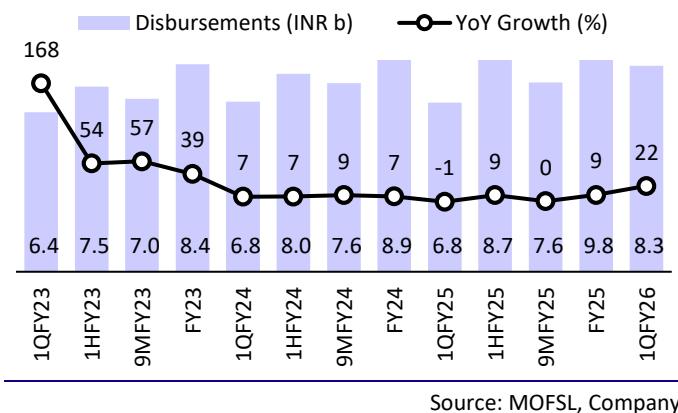
- CoF stood at 8.7%, and the company has started diversifying its borrowings. Repco issued CP worth of INR1.5b in 1QFY26.
- Total borrowings stood at INR110.7b as of Jun'25.
- The current borrowing mix stood at 82% from banks, 8% from NHB, 8% from Repco Bank, and 1% from CP.

### **Others**

- The company initiated the introduction of new loan schemes during the year.
- Major changes implemented by the management included: 1) Strengthening verticalization, 2) improving TAT, 3) enhancing recovery efforts with special OTS schemes, and 4) undertaking initiatives to improve employee morale.
- Software systems have been successfully upgraded, resolving initial issues. Additionally, the new mobile apps for field personnel have been rolled out.
- BoD approved to include P.K. Vaidyanathan (CDO) to the Board.
- Repco has partnered with developers for APF but is engaging only in projects that are RERA-approved.
- The company is making efforts to improve the productivity of its sales team.

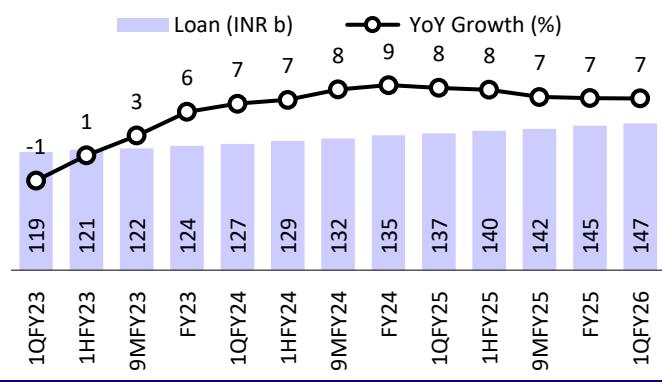
## Key exhibits

### Exhibit 1: Disbursements grew ~22% YoY



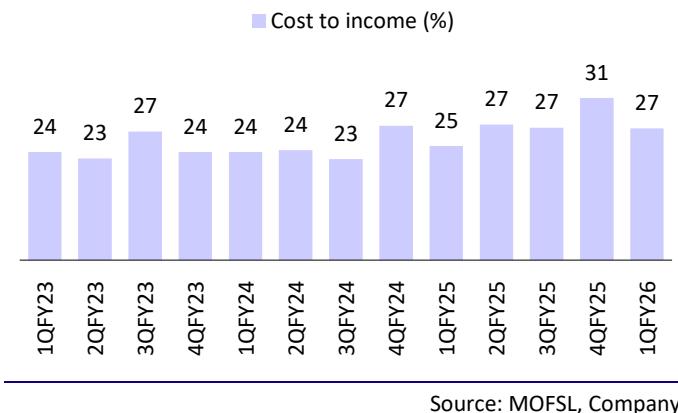
Source: MOFSL, Company

### Exhibit 2: Loan book grew 7% YoY



Source: MOFSL, Company;

### Exhibit 3: C/I ratio declined ~4pp QoQ



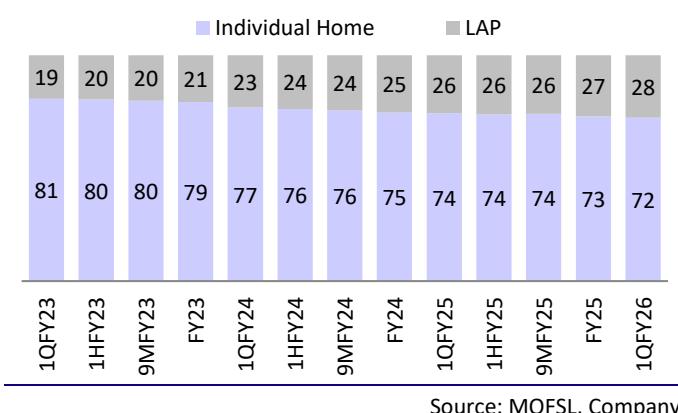
Source: MOFSL, Company

### Exhibit 4: Geographical loan mix (%)



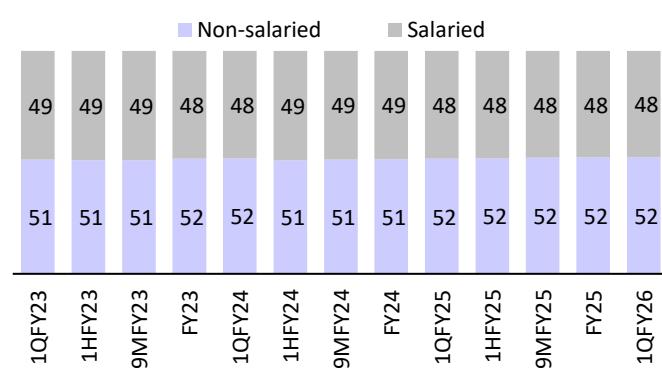
Source: MOFSL, Company

### Exhibit 5: Share of home loans declined QoQ



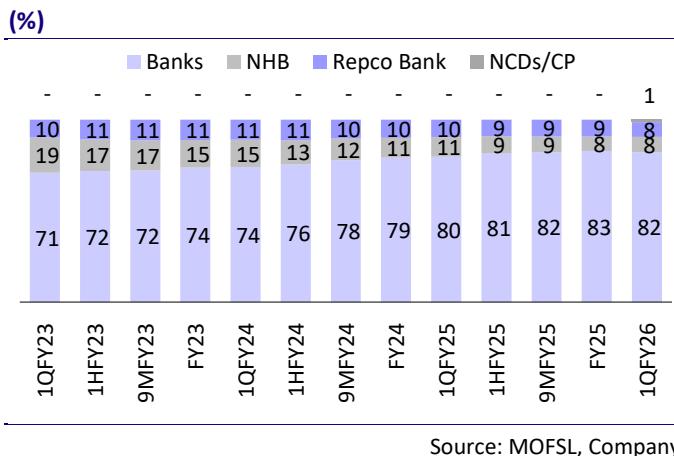
Source: MOFSL, Company

### Exhibit 6: Share of salaried customers was stable QoQ (%)

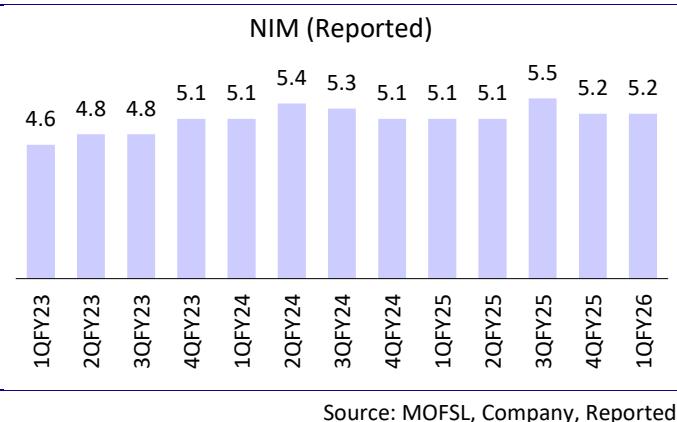


Source: MOFSL, Company

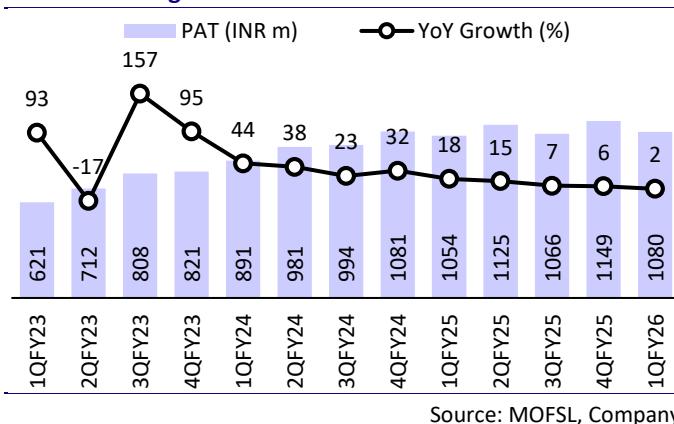
**Exhibit 7: Bank borrowings in the mix declined ~80bp QoQ**



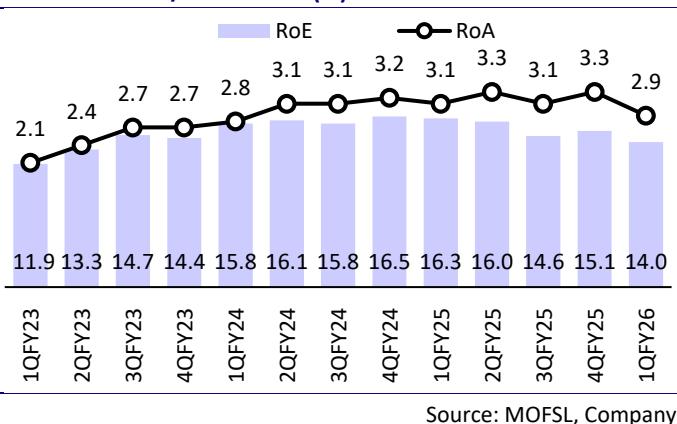
**Exhibit 8: Reported NIMs remained stable QoQ at ~5.2%**



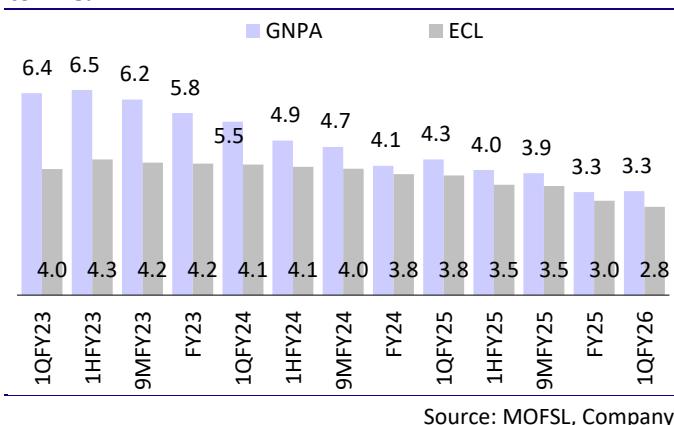
**Exhibit 9: PAT grew ~2% YoY to INR1.1b**



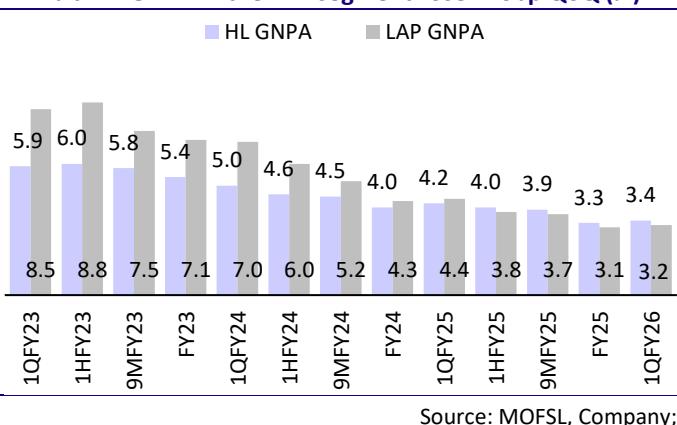
**Exhibit 10: RoE/RoA trends (%)**



**Exhibit 11: GNPA rose QoQ to 3.3%, while ECL/EAD declined to ~2.8%**



**Exhibit 12: GNPA in the LAP segment rose ~10bp QoQ (%)**



## Valuation and view

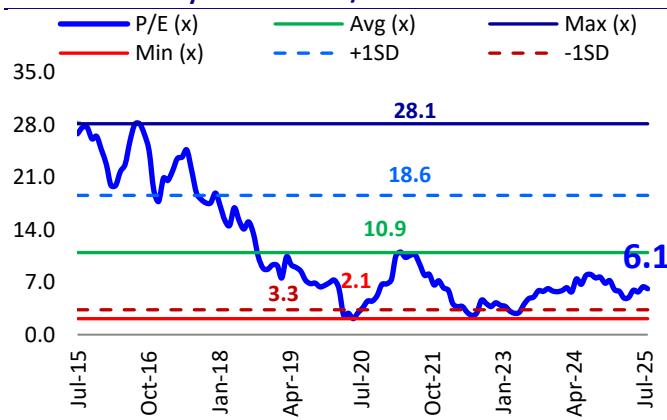
- Repco's quarterly performance was impacted by muted loan growth, despite a healthy growth in disbursements. Nonetheless, asset quality continued to strengthen, underscoring the company's commitment to building a high-quality portfolio.
- We will continue to focus on the management's ability to deliver on the guided metrics of loan growth and profitability. Similar to the previous fiscal year, we expect credit costs to remain benign due to recoveries from NPA and the written-off pool.
- Although the risk-reward appears favorable at the current valuation of ~0.6x FY27E P/BV, we believe the company will have to start delivering stronger loan growth in its core home loan product to command higher valuations. We reiterate our **Neutral** rating with a TP of INR430 (based on 0.7x Mar'27E BVPS).

### Exhibit 13: We have made minor changes to our FY26/FY27 EPS estimates

INR b	Old Est.		New Est.		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
NII	7.2	8.0	7.3	8.0	1.3	-0.6
Other Income	0.9	1.0	0.9	1.0	-5.7	-1.5
<b>Total Income</b>	<b>8.2</b>	<b>9.0</b>	<b>8.2</b>	<b>9.0</b>	<b>0.5</b>	<b>-0.7</b>
Operating Expenses	2.4	2.6	2.4	2.6	-1.1	-1.1
<b>Operating Profits</b>	<b>5.8</b>	<b>6.4</b>	<b>5.8</b>	<b>6.4</b>	<b>1.1</b>	<b>-0.5</b>
Provisions	0.1	0.3	0.0	0.3	-69.9	12.4
<b>PBT</b>	<b>5.6</b>	<b>6.2</b>	<b>5.8</b>	<b>6.1</b>	<b>2.7</b>	<b>-1.0</b>
Tax	1.4	1.6	1.5	1.5	2.7	-1.0
<b>PAT</b>	<b>4.2</b>	<b>4.6</b>	<b>4.3</b>	<b>4.6</b>	<b>2.7</b>	<b>-1.0</b>
Loan book	155	170	155	171	0.1	0.3
NIM (%)	4.8	4.9	4.9	4.8		
Spreads (%)	3.1	3.1	3.1	3.1		
<b>ROAA (%)</b>	<b>2.8</b>	<b>2.7</b>	<b>2.8</b>	<b>2.7</b>		
<b>RoAE (%)</b>	<b>12.0</b>	<b>11.8</b>	<b>12.3</b>	<b>11.6</b>		

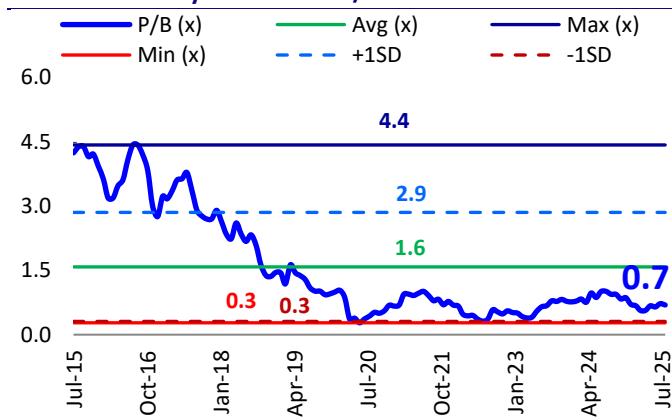
Source: MOFSL, Company

### Exhibit 14: One-year forward P/E



Source: MOFSL, Company

### Exhibit 15: One-year forward P/B



Source: MOFSL, Company

## Financials and valuations

Income statement									(INR M)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Interest Income	11,634	13,174	13,518	12,804	12,570	14,960	16,482	17,369	18,702
Interest Expended	7,200	8,250	8,072	6,899	7,011	8,456	9,659	10,028	10,730
<b>Net Interest Income</b>	<b>4,434</b>	<b>4,924</b>	<b>5,446</b>	<b>5,905</b>	<b>5,560</b>	<b>6,504</b>	<b>6,823</b>	<b>7,341</b>	<b>7,973</b>
Change (%)	1.7	11.0	10.6	8.4	-5.8	17.0	4.9	7.6	8.6
Other Operating Income	318	337	404	262	421	448	764	878	1,010
<b>Net Income</b>	<b>4,752</b>	<b>5,261</b>	<b>5,850</b>	<b>6,166</b>	<b>5,981</b>	<b>6,952</b>	<b>7,587</b>	<b>8,219</b>	<b>8,982</b>
Change (%)	3.1	10.7	11.2	5.4	-3.0	16.2	9.1	8.3	9.3
Operating Expenses	984	1,065	1,144	1,241	1,458	1,710	2,088	2,380	2,569
<b>Operating Income</b>	<b>3,768</b>	<b>4,196</b>	<b>4,706</b>	<b>4,926</b>	<b>4,523</b>	<b>5,242</b>	<b>5,499</b>	<b>5,839</b>	<b>6,414</b>
Change (%)	-1.4	11.4	12.1	4.7	-8.2	15.9	4.9	6.2	9.8
Provisions/write offs	170	594	808	2,331	516	-5	-376	38	296
<b>PBT</b>	<b>3,598</b>	<b>3,602</b>	<b>3,898</b>	<b>2,595</b>	<b>4,008</b>	<b>5,247</b>	<b>5,875</b>	<b>5,801</b>	<b>6,117</b>
Tax	1,252	798	1,022	680	1,047	1,300	1,481	1,462	1,542
Tax Rate (%)	34.8	22.2	26.2	26.2	26.1	24.8	25.2	25.2	25.2
<b>PAT</b>	<b>2,346</b>	<b>2,804</b>	<b>2,876</b>	<b>1,915</b>	<b>2,961</b>	<b>3,947</b>	<b>4,394</b>	<b>4,339</b>	<b>4,576</b>
Change (%)	16.7	19.5	2.6	-33.4	54.6	33.3	11.3	-1.3	5.5
<b>PAT adjusted for EO</b>	<b>2,346</b>	<b>2,804</b>	<b>2,876</b>	<b>1,915</b>	<b>2,961</b>	<b>3,947</b>	<b>4,394</b>	<b>4,339</b>	<b>4,576</b>
Change (%)	16.7	19.5	2.6	-33.4	54.6	33.3	11.3	-1.3	5.5
Proposed Dividend	181	181	156	157	169	188	250	285	301

## Balance sheet

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Capital	626	626	626	626	626	626	626	626	626
Reserves & Surplus	14,648	17,243	19,967	21,730	24,536	28,314	32,510	36,564	40,839
<b>Net Worth</b>	<b>15,274</b>	<b>17,869</b>	<b>20,593</b>	<b>22,356</b>	<b>25,162</b>	<b>28,940</b>	<b>33,136</b>	<b>37,189</b>	<b>41,464</b>
Loans from Banks	0	0	0	0	0	0	0	0	0
Bonds/Debentures	0	0	0	0	0	0	0	0	0
Borrowings	92,774	1,01,090	1,01,974	96,920	99,241	1,07,010	1,11,391	1,22,080	1,33,385
<b>Borrowings</b>	<b>92,774</b>	<b>1,01,090</b>	<b>1,01,974</b>	<b>96,920</b>	<b>99,241</b>	<b>1,07,010</b>	<b>1,11,391</b>	<b>1,22,080</b>	<b>1,33,385</b>
Change (%)	14.1	9.0	0.9	-5.0	2.4	7.8	4.1	9.6	9.3
Other liabilities	1,522	987	1,093	698	832	1,103	1,496	1,870	2,244
<b>Total Liabilities</b>	<b>1,09,570</b>	<b>1,19,946</b>	<b>1,23,659</b>	<b>1,19,974</b>	<b>1,25,234</b>	<b>1,37,053</b>	<b>1,46,022</b>	<b>1,61,140</b>	<b>1,77,093</b>
<b>Loans</b>	<b>1,08,379</b>	<b>1,15,884</b>	<b>1,18,356</b>	<b>1,12,918</b>	<b>1,19,622</b>	<b>1,30,371</b>	<b>1,41,092</b>	<b>1,54,924</b>	<b>1,70,897</b>
Change (%)	12.3	6.9	2.1	-4.6	5.9	9.0	8.2	9.8	10.3
<b>Investments</b>	<b>363</b>	<b>321</b>	<b>345</b>	<b>440</b>	<b>477</b>	<b>494</b>	<b>2,112</b>	<b>1,901</b>	<b>1,806</b>
Change (%)	51.5	-11.6	7.4	27.7	8.4	3.4	328.0	-10.0	-5.0
Net Fixed Assets	155	372	314	353	396	576	807	1,009	1,211
Other assets	673	3,369	4,645	6,263	4,740	5,612	2,011	3,306	3,180
<b>Total Assets</b>	<b>1,09,570</b>	<b>1,19,946</b>	<b>1,23,659</b>	<b>1,19,974</b>	<b>1,25,234</b>	<b>1,37,053</b>	<b>1,46,022</b>	<b>1,61,140</b>	<b>1,77,093</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Spreads Analysis (%)</b>									
Avg Yield on Loans	11.4	11.7	11.5	11.1	10.8	12.0	12.1	11.7	11.5
Avg. Cost of Borrowings	8.3	8.5	8.0	6.9	7.1	8.2	8.8	8.6	8.4
Interest Spread	3.1	3.2	3.6	4.1	3.6	3.7	3.2	3.0	3.0
Net Interest Margin	4.3	4.4	4.6	5.1	4.8	5.2	5.0	4.9	4.8
<b>Profitability Ratios (%)</b>									
RoE	16.5	16.9	15.0	8.9	12.5	14.6	14.2	12.3	11.6
RoA	2.3	2.4	2.4	1.6	2.4	3.0	3.1	2.8	2.7
Int. Expended/Int.Earned	61.9	62.6	59.7	53.9	55.8	56.5	58.6	57.7	57.4
Other Inc./Net Income	6.7	6.4	6.9	4.2	7.0	6.4	10.1	10.7	11.2
<b>Efficiency Ratios (%)</b>									
Op. Exps./Net Income	20.7	20.2	19.6	20.1	24.4	24.6	27.5	29.0	28.6
Empl. Cost/Op. Exps.	59.5	62.4	62.3	63.4	60.3	59.7	57.4	58.4	59.6
<b>Asset Quality (%)</b>									
Gross NPAs	3,258	5,117	4,485	8,198	7,187	5,516	4,729	4,165	4,165
Gross NPAs to Adv.	3.0	4.3	3.7	7.0	5.8	4.1	3.3	2.6	2.4
Net NPAs	1,507	3,287	2,714	5,587	3,621	1,919	1,910	1,499	1,416
Net NPAs to Adv.	1.4	2.8	2.3	4.9	3.0	1.5	1.4	1.0	0.8
<b>VALUATION</b>									
Book Value (INR)	244.1	285.6	329.2	357.1	402.2	462.6	529.7	594.5	662.8
<b>Price-BV (x)</b>									
EPS (INR)	37.5	44.8	46.0	30.6	47.3	63.1	70.2	69.4	73.1
EPS Growth YoY	16.7	19.5	2.6	-33.4	54.7	33.3	11.3	-1.3	5.5
<b>Price-Earnings (x)</b>									
Dividend per share (INR)	2.5	2.5	2.5	2.5	2.7	3.0	4.0	4.6	4.8
<b>Dividend yield (%)</b>									
	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>	

E: MOFSL Estimates

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

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](http://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](http://www.nseindia.com), [www.bseindia.com](http://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.rajani@motilaloswal.com

Contact: (+65) 8328 0276

#### Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).  
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does 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 an officer, director or employee of subject company(ies).
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(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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 recommendationary 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 alterations 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, nor 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 profit 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](http://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](mailto:na@motilaloswal.com), Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>

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](mailto: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](mailto:grievances@motilaloswal.com), for DP to [dp@motilaloswal.com](mailto:dp@motilaloswal.com).