motilal oswal
Financial Services

29 January 2026
3QFY26 Results Update | Sector: Financials

Manappuram Finance

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	MGFL IN
Equity Shares (m)	846
M.Cap.(INRb)/(USDb)	251.3 / 2.7
52-Week Range (INR)	322 / 169
1, 6, 12 Rel. Per (%)	-2/12/39
12M Avg Val (INR M)	1850

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
NII	54.5	69.4	84.9
PPP	27.5	40.1	52.7
PAT	9.7	22.0	30.9
EPS (INR)	10.3	21.3	29.9
EPS Gr. (%)	-27.7	107.6	40.0
BV/Sh.(INR)	168	186	210
Ratios			
NIM (%)	11.0	10.8	10.8
C/I ratio (%)	52.5	45.2	40.8
RoA (%)	1.7	3.1	3.6
RoE (%)	6.8	12.6	15.1
Payout (%)	35.0	20.8	20.0
Valuations			
P/E (x)	28.9	13.9	9.9
P/BV (x)	1.8	1.6	1.4
Div. Yld. (%)	1.2	1.5	2.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	35.3	35.3	35.3
DII	9.2	8.6	11.0
FII	30.2	29.7	30.4
Others	25.4	26.4	23.4

FII Includes depository receipts

CMP: INR297 **TP: INR330 (+11%)** **Neutral**

Strong gold loan growth; NIM likely to bottom out in 4Q

Asset quality weakens in non-gold segments; yields expected to now stabilize

- MGFL consol. PAT declined 14% YoY to INR2.4b in 3QFY26 (in line). NII declined ~18% YoY to ~INR13b (in line) and PPoP declined ~29% YoY to ~INR6.6b (~5% beat).
- Opex grew 7% YoY to ~INR7.6b (in line). This included one-time provisions of INR19m on account of the new labor codes. Consol. credit costs stood at ~INR3.5b (vs. est. of ~INR2.9b). Annualized credit costs for the quarter declined ~40bp QoQ to 2.9% (PQ: ~3.3%).
- Consol. total AUM rose ~18% YoY and ~14% QoQ. Gold AUM grew ~23% QoQ and ~58% YoY to ~INR387b.
- Gold loan yields declined to ~18.3% (PQ: 19.7%) in 3QFY26. Net yields on the standalone business fell ~120bp QoQ to 18.5%, while standalone CoB declined ~30bp QoQ to 8.8%, resulting in a ~90bp contraction in spreads. Consol. NIM (calc.) declined ~160bp QoQ to ~10.8%.
- **MGFL management shared that RBI approval for Bain's joint controlling stake is in the final stages, with all the required clarifications already submitted to the regulator. The company expects to receive RBI approval for the Bain transaction next month.**
- The company indicated that gold loans will continue to be the main growth driver over the next two years, supported by strong structural tailwinds and improved market competitiveness, while the non-gold businesses are expected to resume growth from 1Q/2QFY27, driven by a more disciplined underwriting approach and a calibrated risk framework.
- MGFL highlighted that yield on incremental gold loan disbursements stands at ~18%, broadly aligned with market leaders, with no meaningful compression expected ahead.
- Standalone (Gold + Vehicle + On-lending + MSME) GNPA and NNPA declined ~40bp each QoQ to 2.6% and 2.2%, respectively. Asset quality in the non-gold segments remained under pressure, prompting the company to significantly scale down these businesses and reduce exposure across select geographies, including MSME and vehicle loans. As part of this portfolio reset, new car, used car and farm loans have been paused, while underwriting standards have been strengthened, collection efforts tightened, and operating processes streamlined to improve risk discipline.
- We raise our FY27/FY28 EPS estimates by 7%/8% to factor in higher gold loan growth. Over FY25-28, we estimate a CAGR of 40%/26% in gold/consolidated AUM and ~37% in consolidated PAT, with consolidated RoA/RoE of ~3.6%/15% in FY28. **Reiterate our Neutral rating on the stock with a TP of INR330 (based on 1.6x Dec'27E consolidated BVPS).**

Abhijit Tibrewal - Research Analyst (Abhijit.Tibrewal@MotilalOswal.com) | **Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com)
Research Analyst: Raghav Khemani (Raghav.Khemani@MotilalOswal.com) | **Pranav Nawale** (Pranav.Nawale@MotilalOswal.com)

Strong gold loan growth of 58% YoY; Gold tonnage rose 3% QoQ

- Gold AUM grew ~23% QoQ and ~58% YoY to ~INR387b. Gold tonnage rose ~3% QoQ to ~59 tons. Within gold loans, LTV was stable QoQ at ~56%, while the average ticket size (ATS) in gold loans rose to INR101k (PQ: INR83k). Consolidated gold loan customer base grew 1% QoQ and YoY to ~2.63m.
- MGFL noted that the strong gold loan growth rebound in 3Q marks the first phase of a new growth cycle, driven by more competitive pricing and higher gold prices that have helped win back customers who had earlier migrated out. The second phase is expected to be led by rising business volumes, improved branch morale, and stronger market positioning, translating into higher new customer acquisition.

Asirvad MFI: AUM declines ~39% YoY; credit costs remain elevated

- MFI GNPA rose ~10bp QoQ to 4.9%, while NNPA declined ~20bp QoQ to ~1.8% and credit costs stood at ~INR2.2b (PQ: ~INR2.5b).
- Asirvad AUM declined ~39% YoY and ~1% QoQ to ~INR61b. Asirvad reported 3QFY26 loss of INR1.56b (vs. loss of INR1.68b in 2QFY26).
- Management shared that MFI New book X-bucket collection efficiency is 99.8% and now forms ~1/3rd of the book; the new book is expected to rise to ~2/3rd of the AUM over the next two quarters.

Highlights from the management commentary

- Management shared a new Group CFO, Group Compliance Officer, and Group General Counsel have already joined and are actively leading the transformation. The company is also onboarding group heads for technology, risk, internal audit, operations, and HR, and two group business heads, along with staffing at lower levels where required.
- Branch infrastructure for gold loans is being upgraded, with a new branch design in the final stage of vendor negotiations, which will materially improve customer service, operating efficiency, and branch experience over the next year.

Valuation and view

- MGFL reported a mixed quarter, with asset quality weakening across the non-gold business and profitability remaining under pressure from persistent NIM compression. The bright spot was the strong growth in the gold loan portfolio, even as this was tempered by significant yield compression. Asirvad MFI's net loss declined sequentially, driven by slightly lower credit costs. The company expects the MFI book to return to growth from FY27 onward.
- MGFL trades at 1.6x FY27E P/BV. Gold loan is expected to exhibit healthy growth with an AUM CAGR of ~40% over FY25-28, aided by higher gold prices and the company's strategy to align its lending rates in line with other gold loan NBFC peers. **Reiterate our Neutral rating on the stock with a TP of INR330 (based on 1.6x Dec'27E consolidated BVPS).**

MGFL - Quarterly Performance (Consolidated) (INR M)

Y/E March	FY25				FY26E				FY25	FY26E	3QFY26E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	23,861	25,411	25,163	23,062	22,357	22,512	22,441	24,449	97,997	91,758	22,692	-1
Interest Expenses	8,483	9,057	9,253	8,616	8,553	8,756	9,452	10,480	35,747	37,241	9,089	4
Net Interest Income	**15,378**	**16,354**	**15,909**	**14,446**	**13,804**	**13,756**	**12,989**	**13,969**	**62,250**	**54,518**	**13,603**	**-4.5**
YoY Growth (%)	19.4	20.8	9.54	-3.3	-10.2	-15.9	-18.36	-3.3	10.7	-12.4	-14.5	
Other income	1,259	961	464	230	293	241	1,148	490	2,752	3,529	417	175
Net Income	**16,636**	**17,314**	**16,373**	**14,676**	**14,097**	**13,997**	**14,137**	**14,459**	**65,002**	**58,046**	**14,020**	**1**
Operating Expenses	6,823	6,984	7,066	7,843	7,488	7,285	7,568	8,162	28,718	30,502	7,773	-3
Operating Profits	**9,814**	**10,331**	**9,307**	**6,833**	**6,609**	**6,712**	**6,569**	**6,297**	**36,285**	**27,544**	**6,247**	**5.2**
YoY Growth (%)	22.4	19.2	-0.6	-26.8	-32.7	-35.0	-29.4	-7.8	2.6	-24.1	-32.9	
Provisions	2,286	2,604	5,546	9,192	5,594	3,692	3,541	3,078	19,628	15,904	2,910	22
PBT	**7,528**	**7,727**	**3,761**	**-2,359**	**1,015**	**3,020**	**3,029**	**3,220**	**16,656**	**11,640**	**3,338**	**-9**
Tax Provisions	1,963	2,006	976	-327	-310	847	643	798	4,618	1,979	901	-29
PAT	**5,565**	**5,721**	**2,785**	**-2,032**	**1,325**	**2,173**	**2,385**	**2,421**	**12,039**	**9,661**	**2,437**	**-2**
YoY Growth (%)	12	2	-52	-136	-76	-62	-14	-219	-45	-20	-12	
Key Ratios (%)												
Yield on loans	22.5	22.9	22.8	21.5	20.8	20.2	18.6	18.1	23.6	18.5		
Cost of funds (Cal)	9.4	9.4	9.8	9.5	9.4	9.3	9.0	9.0	10.4	9.0		
Spreads (Cal)	13.08	13.51	13.0	11.99	11.41	10.92	9.6	9.1	13.2	9.5		
NIMs (Cal)	14.50	14.75	14.42	13.47	12.85	12.37	10.76	10.3	15.0	11.0		
C/I ratio	41.0	40.3	43.2	53.4	53.1	52.0	53.5	56.4	44.2	52.5		
Credit Cost	2.10	2.30	4.9	8.43	5.12	3.27	2.9	2.2	4.7	3.2		
Tax Rate	26.1	26.0	26.0	13.9	-30.5	28.0	21.2	24.8	27.7	17.0		
Balance Sheet Parameters												
Consol. AUM (INR b)	**449**	**457**	**442**	**430**	**443**	**459**	**522**	**579**				
Change YoY (%)	21.2	17.4	9.5	2.3	-1.4	0.4	18.1	34.5				
Gold loans (INR b)	**236**	**244**	**245**	**256**	**288**	**315**	**388**	**448**				
Change YoY (%)	14.8	17.1	18.0	19.0	21.8	29.3	58.2	75.0				
Gold stock (tonnes)	60	60	57	56	57	57	59	0				
Gold loans/branch (INR m)	58	60	61	63	71	78	96	0				
Consol. Borrowings (INR b)	**385**	**385**	**370**	**354**	**374**	**377**	**463**	**472**				
Change YoY (%)	34.8	19.4	15.9	5.2	-2.8	-1.9	25.0	33.2				
Borrowings Mix (%)												
Debentures	12.3	12.1	11.3	10.6	10.1	9.0	9.5					
CPs	2.3	1.5	0.8	0.8	3.4	5.3	8.3					
WC/CC	20.5	19.1	20.6	20.5	21.1	19.2	18.2					
TL	54.3	47.7	53.5	52.7	51.3	47.3	47.4					
ECB	10.0	19.0	13.4	14.8	13.9	19.0	16.4					
Others	0.6	0.7	0.4	0.5	0.3	0.2	0.1					
Debt/Equity (x)	1.6											
Asset Quality Parameters (%)												
GNPL ratio (Standalone)	2.0	2.4	2.5	2.8	3.0	3.0	2.6					
NNPL ratio (Standalone)	1.7	2.1	2.3	2.5	2.6	2.6	2.2					
Return Ratios (%)												
RoA (Rep)	4.8	4.4	2.2	-1.6	1.1	1.7	1.7					
RoE (Rep)	16.7	18.6	8.9	-6.4	4.3	6.9	7.4					

E: MOFSL estimates

CONFERENCE CALL

Highlights from the management commentary

Guidance and Outlook

- Gold loan business is expected to remain the primary growth engine over the next two years, supported by structural tailwinds and improving competitiveness.
- Non-gold businesses will return to growth from 1Q/2QFY27, but with disciplined underwriting and calibrated risk.
- Asirvad is expected to grow strongly from FY27, with new, better-quality book representing the majority of the portfolio. The company expects the new book to form 57-60% of overall book after two quarters.
- MGFL targets to improve profitability, with standalone ROA expected to reach 4.25-4.5% by 2HFY27.
- The company is progressing well across all strategic priorities and will provide a full strategic roadmap and formal guidance from the next financial year onwards.

Strategic priorities and roadmap

- Gold lending is the top priority, with AUM growth momentum having rebounded strongly, supported by multiple customer pricing schemes.
- Branch infrastructure for gold is being upgraded, with a new branch design in the final stage of vendor negotiations, which will materially improve customer service, operating efficiency, and branch experience over the next year.
- The company is moving toward paperless customer acquisition, which is expected to improve portfolio quality, operational controls, and turnaround time.
- AI-based systems are being rolled out across branches to strengthen decision-making, monitoring, and customer servicing.
- Co-lending has emerged as a major strategic priority, with the platform going live this week, which should meaningfully improve the subsidiary's scale, balance sheet efficiency, and market profile. The company is working with at least three co-lending partners, including Asirvad, and all are expected to be operational within 1-3 weeks. Co-lending will provide growth, capital efficiency and improved risk sharing across products.

Gold loan business

- Gold loans remain MGFL's largest retail lending asset and primary growth engine.
- Structural tailwinds include regulatory support for secured lending, rising gold prices, and increasing customer preference for gold loans.
- Yield on incremental gold loan disbursements is ~18% and is aligned with market leaders, with no major compression in yields expected going forward.
- MGFL has moved from being priced above market earlier to now being largely in line with competition after running extensive pricing experiments across geographies and customer cohorts. Management shared that yield on gold loans will be in line with what the competitors are charging.

- Online gold loan app and digital payment systems give MGFL a structural advantage in maintaining regulatory compliance and improving customer experience.
- Growth rebound in 3Q reflects the first phase of a new growth cycle, as improved pricing and rising gold prices brought back customers who had earlier migrated out.
- Management expects the second phase of growth to be driven by higher business volumes, stronger branch morale, and better market positioning, leading to better new customer acquisition.
- Auctions during the quarter stood at INR320m.

Non-gold businesses

- A consolidated growth strategy is being implemented across non-gold businesses with a strong focus on improving credit quality and profitability.
- The company has significantly scaled down non-gold businesses and reduced exposure across select geographies, including MSME and vehicle loans.
- New car, used car, and farm loans have been paused as part of this portfolio reset.
- Underwriting standards have been strengthened, collections have been tightened, and operational processes have been streamlined.
- Management expects non-gold businesses to return to growth mode from 1QFY27 after this clean-up phase.
- Vehicle finance AUM rose only ~INR400m QoQ due to residual slowdown. Provision coverage in vehicle finance remains at ~25-27%, and accounts are written off 100% after 730dpd.
- In MSME and unsecured loans, most digital PL and weak unsecured books have been written off fully, while secured MSME portfolios carry low LTVs with credit loss of only 5-6% over five years.

Asirvad MFI

- Asirvad continues to operate in a challenging environment, though the broader MFI sector is showing signs of stabilization.
- Asirvad AUM stood at INR61b, including gold loan AUM of INR16b, down ~39% YoY.
- Credit costs remain elevated, reflecting a cautious stance and old book stress.
- Collection efforts on NPAs continue, including the use of external recovery agencies, though recoveries beyond 90dpd remain difficult in MFI.
- The new book now constitutes ~1/3rd of Asirvad’s portfolio and is performing extremely well, with management guiding that this will rise to 55-60% by Sep’26
- Degrowth is largely behind, and Asirvad is expected to return to growth from here, with portfolio quality improving into FY27.
- MFI New book X-bucket collection efficiency is 99.8% and now forms ~1/3rd of the book and the new book is expected to rise to ~2/3rd of the AUM over the next two quarters.
- The old book collection efficiency is improving ~2% every quarter, with dedicated collection teams ensuring limited fresh slippages.

Housing Business

- In housing and vehicle business, the focus is on stabilizing asset quality and risk-adjusted returns rather than aggressive expansion.
- The housing finance subsidiary is a strategic priority for the group, with strong long-term plans in place.
- A high-quality leadership team for the housing finance business is being onboarded and is expected to be in place by Jun'26.
- Until the new team is fully in place, the housing finance business is expected to see low to moderate growth.
- The company sees housing finance as a key medium-term growth driver once the new platform and leadership are in place.

Organizational effectiveness and leadership build-out

- The new organizational structure is already showing improved operating rigor and stronger ownership across teams.
- Management is highly encouraged by the positive adaptation of teams to this structure, which provides confidence in meeting future growth aspirations.
- A comprehensive overhaul of people and HR practices will be rolled out shortly to further strengthen the performance culture.
- A new Group CFO, Group Compliance Officer, and Group General Counsel have already joined and are actively leading the transformation.
- The company is onboarding group heads for technology, risk, internal audit, operations, HR, and two group business heads, along with staffing at lower levels where required.
- All processes are being re-mapped to become simpler, more efficient, and more scalable, while work on the new technology stack and product strategy is ongoing, to be shared in 1QFY27.

Bain Capital transaction

- RBI approval for Bain's controlling stake is in the final stages, with clarifications already submitted. Management expects approval within one month.
- Bain is aligned with all RBI conditions, including any requirements related to controlling stakes in two NBFCs.
- Branch expansion approvals are also expected after the RBI approves the Bain transaction.

Macro and opening remarks

- The Indian economy remains resilient, supported by strong domestic consumption, healthy GST collections, PMAY momentum, and stable vehicle demand despite global geopolitical and tariff-related uncertainties.
- GDP growth for India is expected at ~7.2%, supported by growth-friendly policies and improving macro stability.
- Consumption, rural demand and broader economic activity showed gradual improvement through the quarter.
- The lending environment remains competitive and tightly regulated, especially across unsecured and semi-secured
- Gold loans continued to show resilience, supported by elevated gold prices and regulatory preference toward secured credit.

Standalone and Consolidated financial highlights

- Consolidated AUM stood at INR522b, up 13.8% QoQ and 17.9% YoY, driven primarily by strong expansion in gold loans.
- Consolidated gold loan AUM rose to INR287b, up 23% QoQ and 58% YoY, supported by higher customer demand and rising gold prices.
- Gold tonnage increased to 58.9 tons, up 3.2% QoQ and 2.8% YoY.
- Consolidated PAT for 3QFY26 was INR2.4b, up ~10% QoQ and declined 14% YoY.
- Liquidity buffers and high provision coverage provide comfort.
- Standalone AUM stood at INR442b, up 17% QoQ and 36% YoY, driven primarily by gold loan growth.
- Standalone PAT was INR3.8b, up 1.4% QoQ but down 16% YoY.
- Gold loan growth was driven by larger ticket sizes and competitive pricing rather than sharp growth in customer numbers.
- LTV remained stable at ~56-57% despite the rise in gold prices, reflecting conservative underwriting.

Technology & Digital Strategy

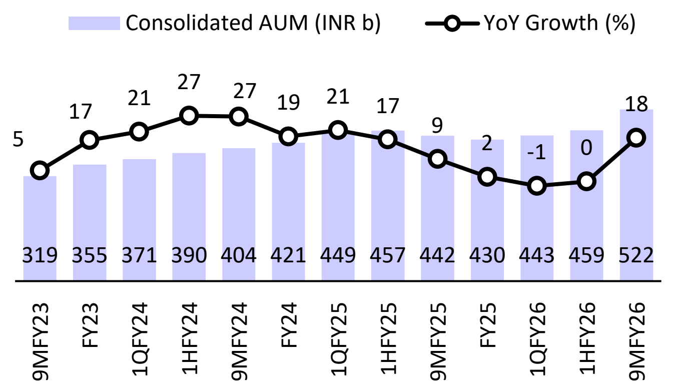
- MGFL is evaluating a future-ready tech architecture designed for the next 8-10 years of growth.
- The technology stack will be product-specific, with different LMS and workflows for each asset class to improve flexibility, risk control and scalability.
- Technology will enhance efficiency and controls but will not significantly reduce manpower as the company is planning for a much larger AUM and footprint.
- Paperless onboarding, AI-enabled branch operations and digital KYC are key near-term priorities.

Others

- Borrowings are elevated as the company drew down a lot of sanctioned lines at the fag end of the quarter, which resulted in higher borrowing growth.
- Interim dividend of INR0.5/share was declared.

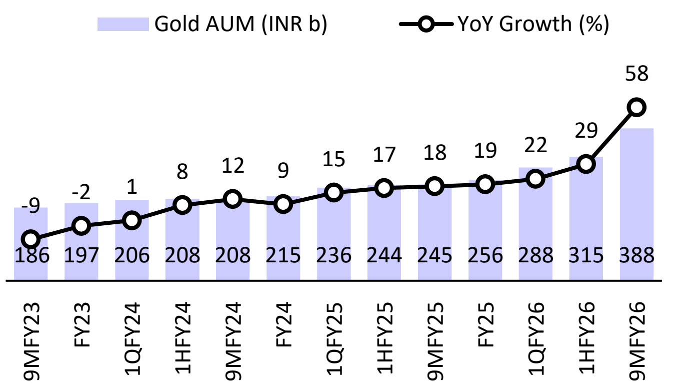
Key Exhibits

Exhibit 1: Consolidated AUM grew 18% YoY



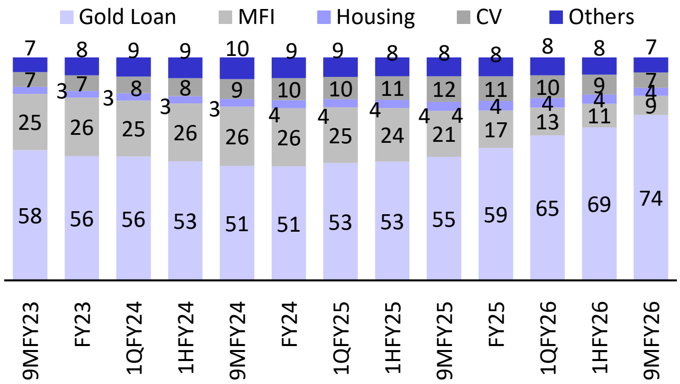
Source: MOFSL, Company

Exhibit 2: Gold AUM grew 58% YoY



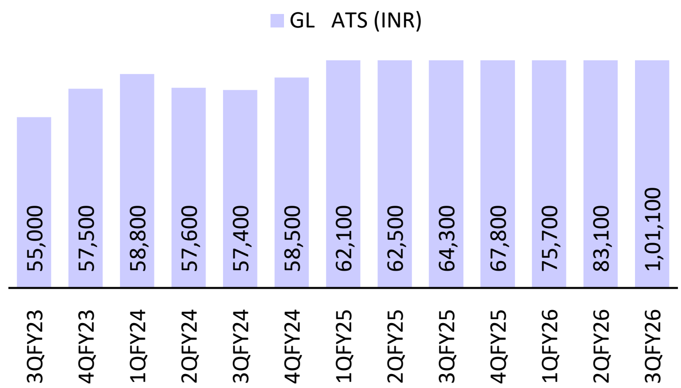
Source: MOFSL, Company

Exhibit 3: Share of gold loans rose ~5pp QoQ (%)



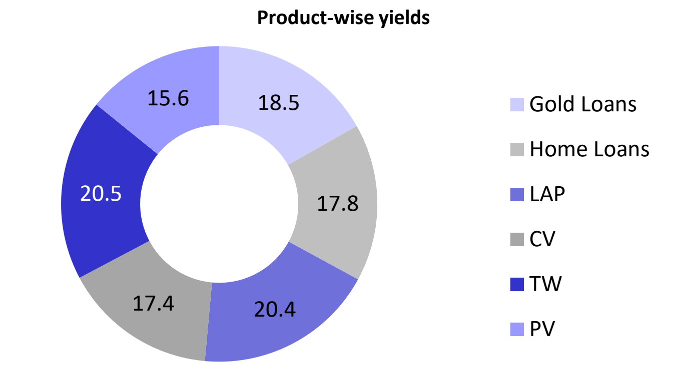
Source: MOFSL, Company

Exhibit 4: ATS in gold loans rose to ~INR101k



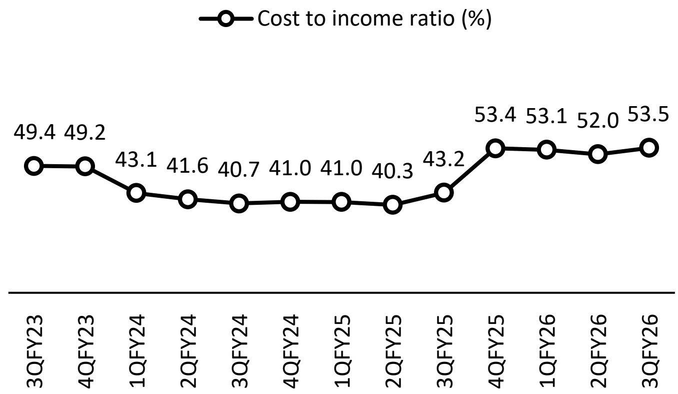
Source: MOFSL, Company

Exhibit 5: Gold loan declined to ~18.5% as of Dec'25



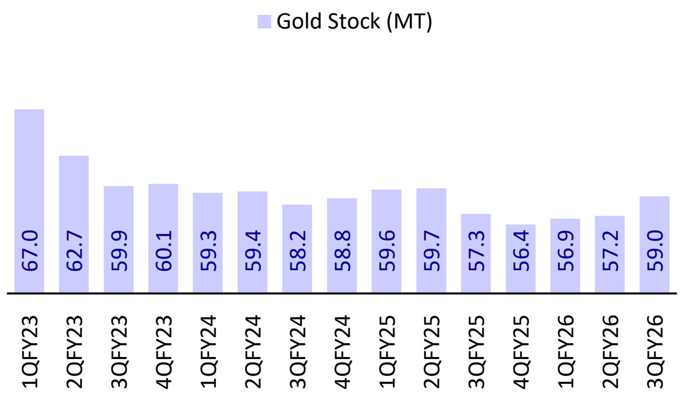
Source: MOFSL, Company

Exhibit 6: C/I ratio rose ~150bp to 53.5%



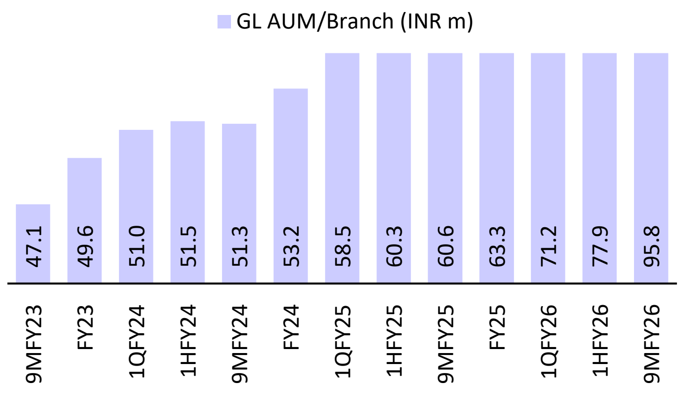
Source: MOFSL, Company

Exhibit 7: Gold tonnage stood at 59 tons as of Dec'25



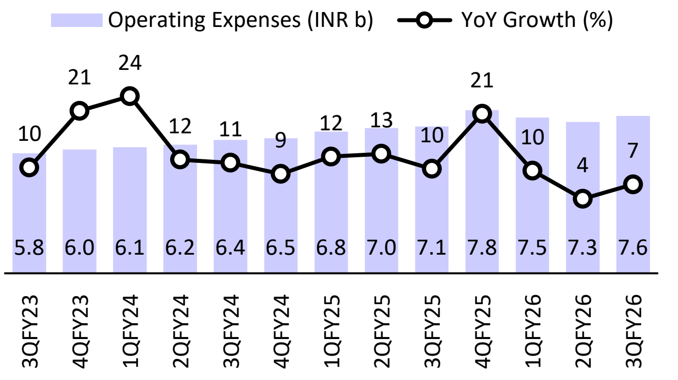
Source: MOFSL, Company

Exhibit 8: Branch productivity improved QoQ



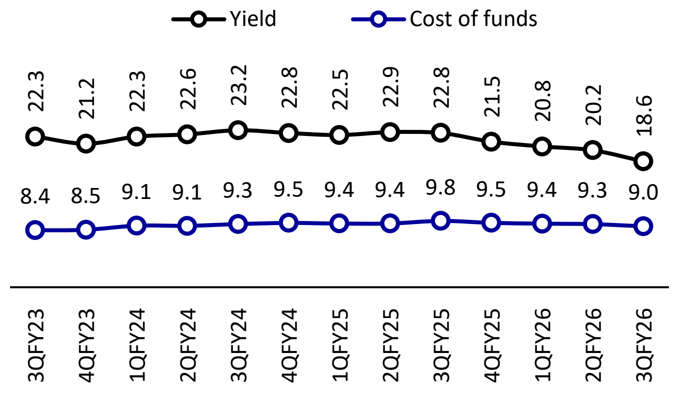
Source: MOFSL, Company

Exhibit 9: Opex grew ~7% YoY



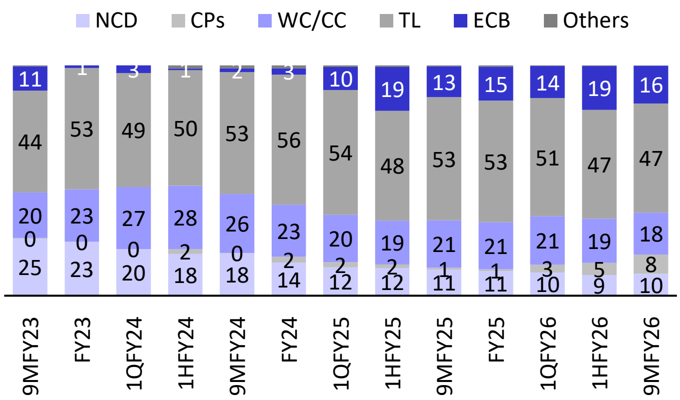
Source: MOFSL, Company

Exhibit 10: Consolidated spreads declined ~130bp QoQ (%)



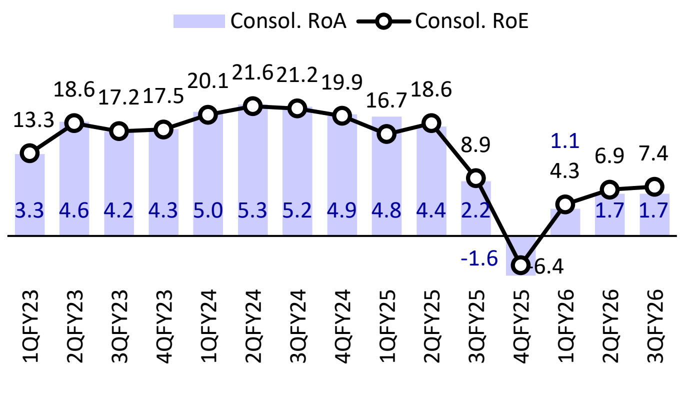
Source: MOFSL, Company

Exhibit 11: Consolidated borrowing mix (%)



Source: MOFSL, Company

Exhibit 12: Consol. RoA/RoE stood at ~1.7%/7.4% in 3QFY26



Source: MOFSL, Company

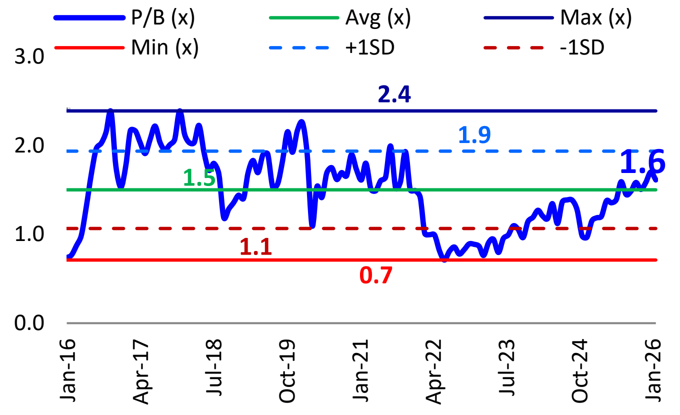
Valuation and view

- MGFL reported a mixed quarter, with asset quality weakening across the non-gold business and profitability remaining under pressure from persistent NIM compression. The bright spot was the strong growth in the gold loan portfolio, even as this was tempered by significant yield compression. Asirvad MFI's net loss declined sequentially, driven by slightly lower credit costs. The company expects the MFI book to return to growth from FY27 onward.
- MGFL trades at 1.6x FY27E P/BV. Gold loan is expected to exhibit healthy growth with an AUM CAGR of ~40% over FY25-28, aided by higher gold prices and the company's strategy to align its lending rates in line with other gold loan NBFC peers. **Reiterate our Neutral rating on the stock with a TP of INR330 (based on 1.6x Dec'27E consolidated BVPS).**

Exhibit 13: We raise our FY27/FY28 EPS estimates by 7%/8% to factor in higher gold loan growth

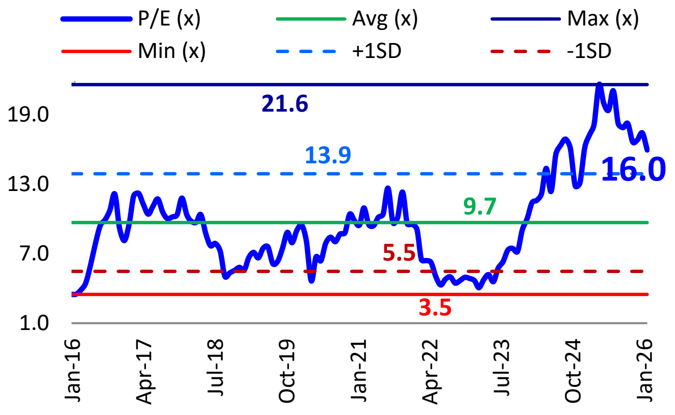
INR B	Old Est.			New Est.			Change (%)		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
NII	55.5	67.4	81.8	54.5	69.4	84.9	-1.7	2.9	3.8
Other Income	2.8	3.0	3.2	3.5	3.8	4.0	27.7	27.0	26.4
Net Income	**58.2**	**70.3**	**85.0**	**58.0**	**73.1**	**88.9**	**-0.3**	**4.0**	**4.6**
Operating Expenses	30.7	33.3	36.5	30.5	33.1	36.3	-0.7	-0.7	-0.7
Operating Profits	**27.5**	**37.0**	**48.5**	**27.5**	**40.1**	**52.7**	**0.1**	**8.1**	**8.6**
Provisions	14.9	9.1	10.0	15.9	10.3	11.0	7.0	12.5	9.6
PBT	**12.6**	**27.9**	**38.5**	**11.6**	**29.8**	**41.7**	**-7.9**	**6.7**	**8.4**
Tax	2.5	7.3	10.0	2.0	7.7	10.8	-21.7	6.7	8.4
PAT	**10.1**	**20.7**	**28.5**	**9.7**	**22.0**	**30.9**	**-4.5**	**6.7**	**8.4**
Loans	536	657	773	568	716	852	6.0	8.9	10.2
Borrowings	442	522	621	472	582	695			
RoA (%)	1.8	3.1	3.6	1.7	3.1	3.6			
RoE (%)	7.2	11.8	14.1	6.8	12.6	15.1			

Exhibit 14: One-year forward P/B



Source: MOFSL, Company

Exhibit 15: One-year forward P/E



Source: MOFSL, Company

Financials and valuations

INCOME STATEMENT									(INR M)
Y/E MARCH	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Interest Income	52,805	61,896	58,397	64,404	84,885	97,997	91,758	1,16,252	1,41,127
Interest Expense	18,322	22,190	20,114	21,878	28,657	35,747	37,241	46,900	56,218
Net Interest Income	**34,483**	**39,706**	**38,284**	**42,526**	**56,228**	**62,250**	**54,518**	**69,352**	**84,909**
Change (%)	27.7	15.1	-3.6	11.1	32.2	10.7	-12.4	27.2	22.4
Other operating income	1,848	1,410	2,213	2,436	3,595	2,411	3,358	3,594	3,848
Total Income	**36,331**	**41,116**	**40,496**	**44,963**	**59,823**	**64,660**	**57,876**	**72,946**	**88,756**
Change (%)	28.2	13.2	-1.5	11.0	33.1	8.1	-10.5	26.0	21.7
Other income	859	441	653	659	721	342	171	179	188
Net Income	**37,190**	**41,557**	**41,149**	**45,622**	**60,544**	**65,002**	**58,046**	**73,125**	**88,945**
Change (%)	28.4	11.7	-1.0	10.9	32.7	7.4	-10.7	26.0	21.6
Operating Expenses	14,741	13,996	18,453	22,140	25,165	28,718	30,502	33,068	36,272
Operating Profits	**22,449**	**27,561**	**22,697**	**23,482**	**35,378**	**36,285**	**27,544**	**40,058**	**52,673**
Change (%)	48.5	22.8	-17.6	3.5	50.7	2.6	-24.1	45.4	31.5
Provisions	2,376	4,401	4,862	3,071	5,783	19,628	15,904	10,276	10,977
PBT	**20,073**	**23,160**	**17,835**	**20,410**	**29,595**	**16,656**	**11,640**	**29,781**	**41,697**
Tax	5,270	5,911	4,548	5,409	7,621	4,618	1,979	7,743	10,841
Tax Rate (%)	26.3	25.5	25.5	26.5	25.8	27.7	17.0	26.0	26.0
PAT	**14,803**	**17,250**	**13,287**	**15,002**	**21,974**	**12,039**	**9,661**	**22,038**	**30,855**
Change (%)	56.1	16.5	-23.0	12.9	46.5	-45.2	-19.7	128.1	40.0
Dividend (Excl Tax)	**2,372**	**1,777**	**2,539**	**2,539**	**3,005**	**2,963**	**3,381**	**4,584**	**6,171**

BALANCE SHEET									
Y/E MARCH	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	1,690	1,693	1,693	1,693	1,693	1,693	1,879	2,065	2,065
Reserves & Surplus	55,771	71,382	81,991	94,756	1,13,788	1,22,629	1,56,129	1,89,841	2,14,525
Networth (Post OCI)	**57,461**	**73,074**	**83,683**	**96,449**	**1,15,481**	**1,24,322**	**1,58,008**	**1,91,905**	**2,16,590**
Non-Controlling Interest	583	472	161	203	289	167	192	217	242
Borrowings	**2,25,735**	**2,27,163**	**2,41,185**	**2,84,830**	**3,36,535**	**3,54,040**	**4,71,699**	**5,82,245**	**6,95,438**
Change (%)	47.6	0.6	6.2	18.1	18.2	5.2	33.2	23.4	19.4
Other liabilities	**11,572**	**12,669**	**13,076**	**13,559**	**15,175**	**13,518**	**14,870**	**16,357**	**17,993**
Change (%)	97.4	9.5	3.2	3.7	11.9	-10.9	10.0	10.0	10.0
Total Liabilities	**2,95,351**	**3,13,378**	**3,38,106**	**3,95,041**	**4,67,479**	**4,92,047**	**6,44,768**	**7,90,724**	**9,30,262**
Loans	**2,42,971**	**2,65,076**	**2,89,710**	**3,41,945**	**4,09,476**	**4,22,516**	**5,68,397**	**7,16,161**	**8,51,912**
Change (%)	36.4	9.1	9.3	18.0	19.7	3.2	34.5	26.0	19.0
Investments	**905**	**3,380**	**4,207**	**5,340**	**7,263**	**7,877**	**8,665**	**9,532**	**10,485**
Change (%)	-47.9	273.6	24.5	26.9	36.0	8.5	10.0	10.0	10.0
Goodwill	356	356	356	356	356	356	356	356	356
Net Fixed Assets	7,705	8,980	10,295	10,748	10,677	10,569	11,626	12,789	14,067
Other assets	43,414	35,586	33,538	36,652	39,708	50,730	55,725	51,887	53,443
Total Assets	**2,95,351**	**3,13,378**	**3,38,106**	**3,95,041**	**4,67,479**	**4,92,047**	**6,44,768**	**7,90,724**	**9,30,262**

E: MOFSL Estimates

Financials and valuations

RATIOS									
Y/E MARCH	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**	**FY28E**
Spreads Analysis (%)									
Avg Yield on loans	25.1	24.4	21.1	20.4	22.6	23.6	18.5	18.1	18.0
Avg Cost of funds	9.7	9.8	8.6	8.3	9.2	10.4	9.0	8.9	8.8
Spreads	15.4	14.6	12.5	12.1	13.4	13.2	9.5	9.2	9.2
Net Interest Margins	16.4	15.6	13.8	13.5	15.0	15.0	11.0	10.8	10.8
Profitability Ratios (%)									
RoAE	28.8	26.4	17.0	16.7	20.7	10.0	6.8	12.6	15.1
RoAA	5.9	5.7	4.1	4.1	5.1	2.5	1.7	3.1	3.6
Cost to Income	39.6	33.7	44.8	48.5	41.6	44.2	52.5	45.2	40.8
Empl. Cost/Op. Exps.	56.3	60.2	61.0	66.4	63.5	64.1	63.4	63.2	63.3
Asset Quality									
GNPL (INR m)	1,677	3,951	6,623	3,211	5,467	8,906	8,526	10,742	11,927
GNPL ratio (%)	0.9	1.9	2.9	1.3	1.8	2.6	1.5	1.5	1.4
NNPL (INR m)	1,092	2,092	5,674	2,554	4,553	7,528	6,991	8,809	9,661
NNPL ratio (%)	0.6	0.8	2.0	0.7	1.1	1.8	1.2	1.2	1.1
PCR (%)	34.9	47.1	14.3	20.4	16.7	15.5	18.0	18.0	19.0

Valuations	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**	**FY28E**
Book Value (INR)	68	86	99	114	136	147	168	186	210
Price-BV (x)	**4.4**	**3.4**	**3.0**	**2.6**	**2.2**	**2.0**	**1.8**	**1.6**	**1.4**
EPS (INR)	17.5	20.4	15.7	17.7	26.0	14.2	10.3	21.3	29.9
Change YoY (%)	55.7	16.3	-23.0	12.9	46.5	-45.2	-27.7	107.6	40.0
Price-Earnings (x)	**17.0**	**14.6**	**18.9**	**16.8**	**11.4**	**20.9**	**28.9**	**13.9**	**9.9**
Dividend	2.8	2.1	3.0	3.0	3.6	3.5	3.6	4.4	6.0
Dividend Payout (%)	19.3	10.3	19.1	16.9	13.7	24.6	35.0	20.8	20.0
Dividend Yield (%)	**0.9**	**0.7**	**1.0**	**1.0**	**1.2**	**1.2**	**1.2**	**1.5**	**2.0**

E: MOFSL Estimates

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 and BSE enlistment no. 5028. 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 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.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. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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.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.
   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 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, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.