

SBI Life Insurance

BSE SENSEX
76,071

S&P CNX
23,581



Bloomberg	SBILIFE IN
Equity Shares (m)	1003
M.Cap.(INRb)/(USDb)	1937.9 / 21
52-Week Range (INR)	2133 / 1391
1, 6, 12 Rel. Per (%)	3/14/30
12M Avg Val (INR M)	1977

Valuation summary

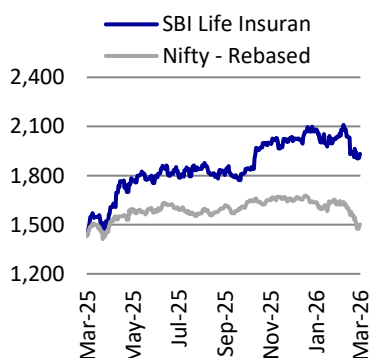
Y/E March	2026E	2027E	2028E
Net Premiums	990	1,146	1,324
Surplus / Deficit	28	33	38
Sh.PAT	22	24	28
NBP gr- APE (%)	15.4	15.2	14.6
Premium gr (%)	17.8	15.7	15.6
VNB margin (%)	27.5	28.0	28.5
RoE (%)	12.4	12.2	12.5
RoIC (%)	12.5	12.2	12.6
RoEV (%)	18.0	18.0	17.8
AUM (INRt)	5.4	6.4	7.5
VNB	68	80	93
EV per share	829	978	1,152
P/EV (x)	2.3	2.0	1.7
P/ EVOP (%)	15.0	12.8	10.9

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	55.3	55.4	55.4
DII	18.7	18.7	17.9
FII	21.9	21.9	22.5
Others	4.1	4.1	4.2

FII includes depository receipts

Stock's Performance (one-year)



CMP: INR1,932

TP: INR2,400 (+24%)

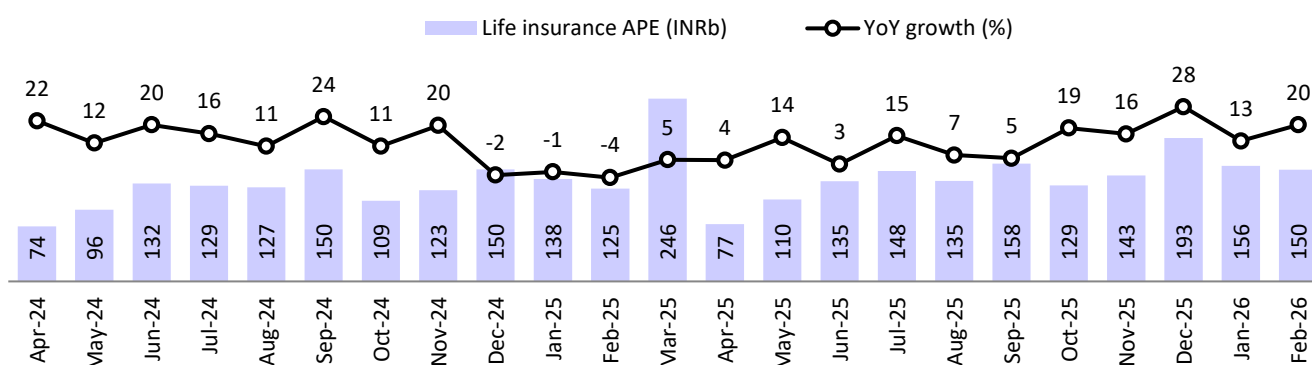
Buy

Compounding machine with best-in-class margins

- SBI Life Insurance (SBILIFE) has been a consistent compounder with FY20-25 APE CAGR at 15% vs. 6% for the industry (15% YoY in YTD FY26 vs 13% for the industry), supported by an extensive SBI branch network and one of the largest agent bases in the private life insurance industry. We expect the growth trajectory to remain stable at ~15% for FY26-28 as well.
- The company is gradually shifting its mix toward higher-margin traditional products, aiming to reduce ULIP share in individual APE from ~67% currently to ~60%. Protection is growing significantly faster than the overall business, and the company is targeting to increase the share to 9.0-9.5% of individual APE. Management expects the APE growth trajectory to further improve from ~15% as the product mix shifts towards traditional products.
- The gradual shift toward higher-margin products, robust operational efficiency, and rising rider attachments is expected to help in maintaining VNB margin in the range of 26-28%, despite temporary headwinds from the loss of input tax credit. We expect the VNB margin to improve by 50bp YoY each in FY27/28, reaching 28.5% in FY28.
- While the potential implementation of commission caps may disrupt bancassurance economics, posing near-term risks to new business growth and distribution expansion, we expect low impact for SBILIFE, given its commission ratio (~4.8% in 9MFY26) is significantly better than the industry average. However, a drastic reduction in commission may lead to renegotiations with the bank.
- The combination of sustained APE growth, stable VNB margins, and disciplined cost management positions SBILIFE to achieve ~18% operating RoEV going forward. We reiterate our BUY rating with a TP of INR2,400 (based on 2.1x FY28E P/EV).

Short-term impact likely from potential regulations

- **Commission regulations:** As mentioned in our recent [Sector Update](#) and [media articles](#), IRDAI is considering proposing changes to the commission structure with possible amendments such as staggered commission, commission caps for particular channels, etc. This may create a temporary hiccup with the need for commission renegotiations, product refilling, etc.
- However, in the long run, the industry is likely to bounce back, considering the under-penetrated market, low awareness, and improved affordability of products across segments.
- **IFRS:** In its recent [consultation paper](#), IRDAI has proposed to implement Indian Accounting Standards (Ind AS) for all insurers with effect from 01 April, 2026, promoting better transparency, comparability, and alignment with globally accepted standards. However, parallel implementation for a few years may be suggested by the industry for a smooth transition.
- Key differences in IFRS accounting include 1) contractual service margin, which is the key profitability metric; 2) deferred acquisition costs; and 3) par income, which would be recognized over time (currently, 10% was recognized as income).

Exhibit 1: Industry APE growth trajectory improved from Oct'25, supported by GST exemptions


Source: LI council, MOFSL

Growth momentum to sustain in mid-teens

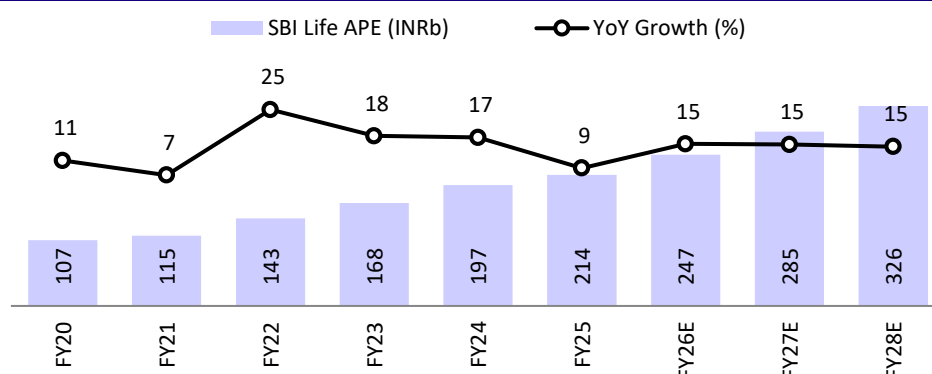
- SBILIFE has reported an FY20-25 APE CAGR of 15%, which outperformed the industry. The industry grew 6% and was on par with the private industry, which grew 16% during the same period.
- For FY26YTD (until Feb'26), the company's APE has grown 15% YoY, while the industry and private players witnessed growth of 13% YoY each.
- The better-than-industry growth trajectory has resulted in an improvement in market share from 8.7% in FY20 to 14.2% in YTD FY26. SBILIFE is the largest private insurer with a market share of 22% within the private industry in FY26YTD, up from 20-21% over the past few years.
- The management expects to close FY26 with YoY APE growth of 14%+. Looking ahead, growth is expected at 14-15%, supported by several structural drivers, including deeper penetration of the SBI bancassurance ecosystem, rising agent productivity, and an improved product mix.
- With its strong bancassurance funnel and advisory-led agency channel, SBILIFE stands to disproportionately benefit from the industry tailwinds. **We expect APE growth at 15% for FY26, and the momentum is likely to be sustained with an FY26-28 CAGR of 15%.**

Exhibit 2: SBILIFE is the largest private life insurer and continues to gain market share

Pvt market share (%)	FY20	FY21	FY22	FY23	FY24	FY25	YTD FY26
SBI Life	20.8	20.8	21.4	20.3	22.0	20.2	22.0
HDFC Life	14.4	15.1	14.7	15.7	14.8	14.7	14.3
IPRU Life	18.2	15.7	14.0	13.1	12.7	15.1	12.8
Tata AIA	5.6	6.6	7.1	9.1	8.8	8.9	9.1
Max Life	8.4	9.2	8.4	7.6	8.2	8.3	8.6
Bajaj Life	4.8	5.5	6.9	7.6	8.3	7.7	7.4
Kotak Life	6.6	5.9	5.3	5.0	5.4	4.8	4.6
Birla Sunlife	3.9	4.2	4.1	4.5	4.2	4.7	4.6
Canara HSBC	2.2	2.4	2.4	2.5	2.4	2.5	2.8
PNB Met Life	2.8	2.9	2.9	2.9	2.8	2.5	2.4

Source: LI Council, MOFSL

Exhibit 3: SBILIFE to maintain 15% APE growth going forward

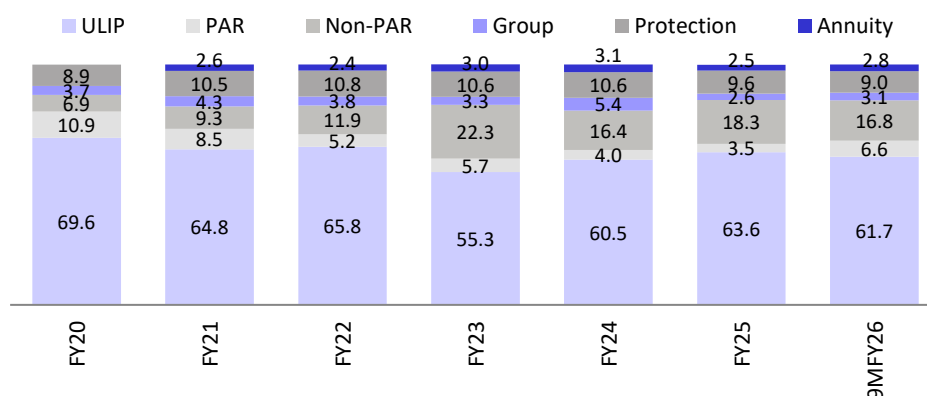


Source: Company, MOFSL

Product mix – Strategic shift towards higher margin traditional products

- SBILIFE currently derives a significant portion of its business from ULIPs, with the ULIP:traditional mix at 62:38 as of 9MFY26. The insurer is targeting a gradual shift in the mix to 60:40 over the next two years through a non-par and protection push.
- The shift will occur gradually as new products gain traction, customer preferences evolve, and sales strategies are modified in the vast distributor network, including individual as well as bank agents.
- The protection business represents a key growth opportunity, given the strong penetration of SBI branches. Management aims to take the protection contribution in individual APE to 9.0-9.5% in the next two years. This would require higher-than-overall company growth of 25%+.
- ULIP rider attachment rate is at 40-41%, and the management expects riders to be a game-changer for the distribution of protection. However, the focus is to scale riders in a balanced manner and not cannibalize pure protection.
- Credit Protect is the most profitable product with low commission, and hence, a gradual ramp-up of this segment would be beneficial for overall VNB margins.
- Once the 60:40 ULIP:traditional target is achieved, the company could witness accelerated APE growth to 17-18%, as agency remuneration improves with the product mix towards traditional products.

Exhibit 4: SBILIFE's product mix (%)



Source: Company, MOFSL

Product mix shift to offset the GST impact on VNB margin

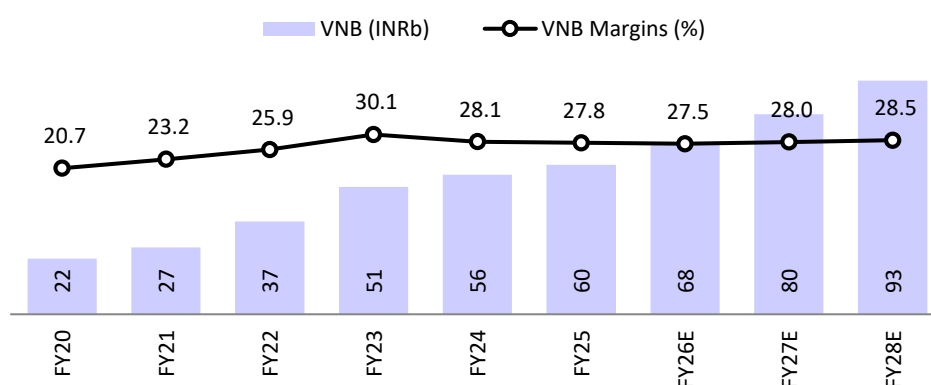
- SBILIFE maintains the best-in-industry VNB margin profile, with the 9MFY26 VNB margin at 27.2% (from 18.7% in FY20).
- The loss of input tax credit owing to GST exemption created an initial margin headwind of ~174bp. However, ~100bp of this impact is likely to be offset by a favorable product mix shift and higher rider attachment. In addition, further mitigation is likely in the coming quarters.
- Management expects product mix optimization and protection growth to offset the impact of ongoing investments in distribution and technology and the full-year impact of ITC loss in FY27, resulting in a 26-28% VNB margin in FY27.
- Going forward, we expect sustained traction in non-linked products and improvement in rider attachment to drive VNB margin expansion. For FY26, we expect a YoY decline in VNB margin to 27.5%. **Subsequently, we project a 50bp improvement in VNB margin each year. The margin is likely to reach 28.5% by FY28, resulting in a 17% FY26-28 VNB CAGR.**

Exhibit 5: SBILIFE maintains the highest VNB margin among peers since FY24

VNB margin (%)	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
HDFC Life	25.9	26.1	27.4	27.5	26.3	25.6	24.4
Ipru Life	21.7	25.1	28.0	32.0	24.6	22.8	24.4
SBI Life	20.7	23.2	25.9	30.1	28.1	27.8	27.2
MAX Financial	21.6	25.2	27.4	31.2	26.5	24.0	23.6
Canara HSBC Life			21.4	20.1	20.0	19.1	19.7
Bajaj Life	9.9	12.3	14.2	15.5	14.6	14.5	16.4

Source: Companies, MOFSL

Exhibit 6: SBILIFE's margins to continue expanding with product mix shift and cost efficiency



Source: Company, MOFSL

Strong distribution network; robust cost efficiency shields it from potential commission regulations to some extent

- SBILIFE benefits from one of the strongest distribution platforms in the industry, anchored by its deep relationship with the SBI and supported by the largest agency network among private life insurers.
- The bancassurance channel (62.5% of 9MFY26 APE) continues to be a key growth driver for the company, with SBI's 22,500+ branch network as the crown jewel. The bank has also increasingly integrated insurance offerings into its

digital ecosystem, particularly through the YONO platform, enabling wider customer reach.

- Over the past 12 months, SBI Life has issued ~500,000-600,000 protection policies through YONO, highlighting the growing role of digital-assisted distribution within the bancassurance channel.
- In addition to bancassurance, the agency channel (27% of 9MFY26 APE) continues to contribute meaningfully to business volumes. SBILIFE has one of the highest agent bases in the private life insurance industry, with 278,000+ agents. The company has been focusing on improving agent productivity through better training, digital enablement, and targeted recruitment.
- SBI's branch productivity remains healthy at INR6.4m on an individual APE basis. Agency productivity improved to INR300,000 per agent, despite an expanding agent base, reflecting improving quality and effectiveness of the agency channel.
- SBILIFE operates at the lowest commission payouts (4.8% in 9MFY26), indicating readiness for any changes on the commission front. In an extreme scenario where bank commissions are reduced, the bank may potentially seek to increase its commissions to maintain the overall commission income, which could ultimately support insurance penetration. The revenue from insurance commissions for the bank is less than 1% of the total income.
- However, a sharp reduction in commissions could require renegotiation of distribution economics with bancassurance partners, potentially affecting channel profitability in the near term.

Exhibit 7: Unparalleled multi-channel distribution reach

Bancassurance	Agency	Institutional Alliance	Direct and Corporate
27,150+ SBI and RRB Banks Branches 30% NBP share in Total Industry ¹ ₹76 lacs SBI Productivity per branch ² with 58K+ CIFs ; Individual APE basis ₹64 lacs (+15%) 59% Share in Individual NOPs 99.9% Business sourced digitally	2,78,000+ Agents (Gross addition of +25%) 32% NBP share in Private Market ¹ ₹3 lacs Agent Productivity ² ; Individual APE basis ₹3 lacs (+4%) 34% Share in Individual NOPs 99.9% Business sourced digitally with 9.3mn uploads on Smart Advisor	13,400+ Partner Branches 151 Brokers 16,000+ Specified Persons 82 Corporate Agents 18% Share of NPS in Annuity Business	Top 3 in overall Industry Fund Business Dedicated Call Centers for website sales and services Multilingual website in 10 languages to make buying easy Lead Management ecosystem – Assignment, Nurturing and Monitoring

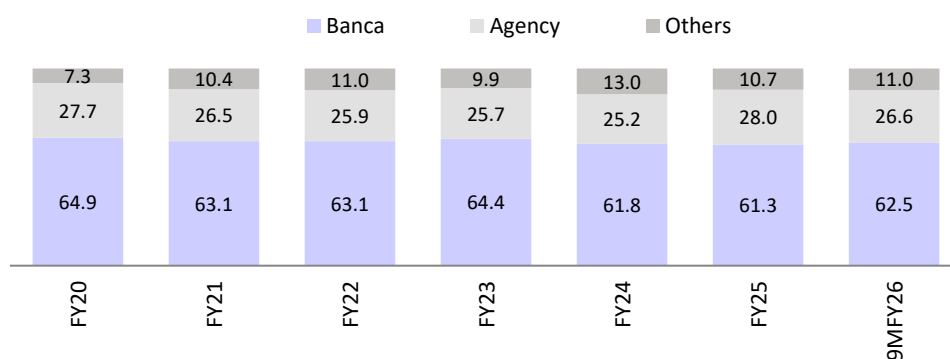
Source: Company, MOFSL

Exhibit 8: Contribution of the life insurance commission to the revenue of the bank is nominal

INR m	FY20	FY21	FY22	FY23	FY24	FY25	FY20-25 CAGR
SBI	11,169	12,398	15,675	20,399	22,322	23,559	16%
% of total income	0.8	0.8	1.0	1.1	1.1	1.0	

Source: SBI, MOFSL

Exhibit 9: SBILIFE's channel mix – 60%+ contribution from bancassurance



Source: Company, MOFSL

Exhibit 10: SBILIFE maintains the best-in-class commission ratios

%	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
SBI Life	4.0	3.5	3.7	4.5	3.9	4.0	4.8
HDFC Life	4.6	4.4	4.2	5.0	8.3	11.0	12.0
Ipru Life	4.7	7.3	3.5	3.8	8.6	9.9	10.4
Canara HSBC Life		5.7	6.1	5.7	5.8	6.3	6.2
Axis Max Life	6.3	6.5	6.3	6.4	8.1	9.5	

Source: Companies, MOFSL

Continuously monitoring persistency and solvency

- The persistency trends remain an important area of focus for the company. The impact of revised surrender value regulations is expected to begin reflecting in persistency metrics during the current year.
- 13M persistency can be affected by factors such as mis-selling and higher ticket sizes, although SBI Life has been working actively to improve early-stage persistency through enhanced customer engagement and monitoring.
- The company is also focusing on improving 25M persistency, which management acknowledged remains challenging in certain customer segments and geographies. Targeted outreach efforts are being undertaken to address these areas.
- Longer-term persistency metrics may also reflect residual effects of the pandemic period, particularly in the 61M cohort. One mitigating factor for SBI Life is its relatively affordable ticket size, which helps maintain policy continuation rates. Overall, persistency metrics are expected to stabilize as growth moderates and the post-COVID book seasons.
- SBILIFE remains well capitalized with a solvency ratio of ~191%. The solvency ratio may moderate slightly to around 189–190%, primarily due to the strong growth in protection business and the associated increase in sum assured. However, management does not anticipate any need for capital raising in the next one to two years.
- Looking ahead, the transition to a risk-based capital framework could potentially strengthen solvency metrics further.

Exhibit 11: SBILIFE persistency trends

%	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
13M	86.1	85.4	85.2	85.5	86.8	87.4	87.1
25M	78.5	75.8	78.1	75.6	77.4	77.7	77.1
37M	71.6	72.1	72.2	74.5	71.3	72.1	72.0
49M	67.3	65.6	69.9	70.3	72.7	68.0	69.1
61M	59.9	50.9	49.5	55.6	58.6	62.7	58.8

Source: Company, MOFSL

Valuation and view

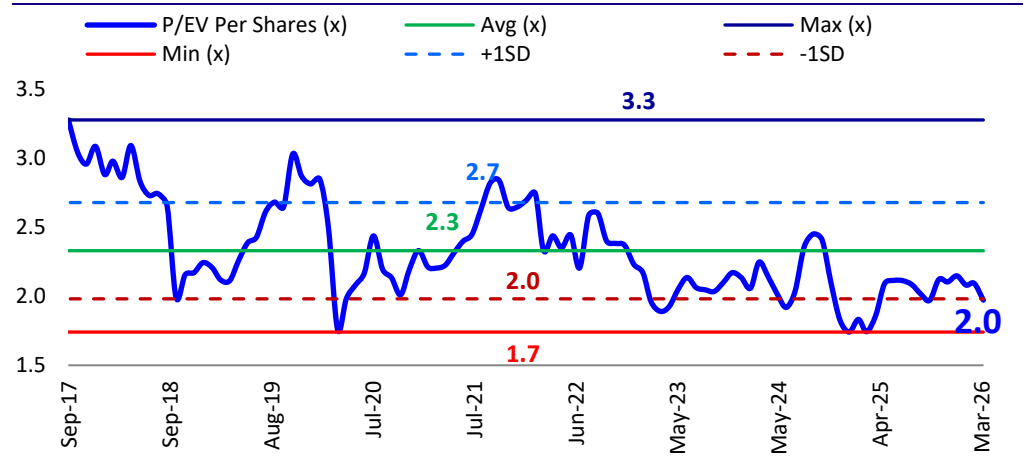
- SBILIFE remains one of the best-positioned players to benefit from the structural growth in India's life insurance industry. With insurance penetration still low and a large protection gap, the sector offers a long runway for sustained double-digit growth.
- The insurer combines this industry opportunity with a powerful distribution franchise anchored by the SBI bancassurance network, enabling consistent APE growth and strong new business profitability. Over the medium term, we expect mid-teen APE growth supported by improving agent productivity, deeper penetration of the SBI ecosystem, and expansion in protection and non-par products.
- At the same time, product mix improvement, rising protection contribution, and robust operational efficiency should support stable to gradually improving VNB margins to 28.5% by FY28.
- The combination of sustained APE growth, stable VNB margins, and disciplined cost management positions SBILIFE to achieve ~18% operating RoEV going forward. We reiterate our BUY rating with a TP of INR2,400 (based on 2.1x FY28E P/EV).

Exhibit 12: Valuation comparison for life insurance companies

			HDFC Life			SBI Life			Max Financial			IPRU Life			Canara HSBC Life		
Rating			Buy			Buy			Buy			Buy			Buy		
CMP	INR		642			1932			1813			654			148		
Market Cap	INRb		1381			1938			573			859			141		
TP	INR		930			2400			2200			800			180		
Upside	%		44.9			24.2			21.3			22.3			21.6		
Profitability			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
VNB	INRb		43	53	63	68	80	93	27	33	40	27	32	37	5.7	7.0	8.6
VNB margin	%		24.7	26.0	26.5	27.5	28.0	28.5	25.0	26.0	26.5	24.5	25.0	25.5	19.8	20.5	21.0
EVOP	INRb		86	106	124	129	152	177	44	57	68	58	72	82	10.7	12.7	15.3
Operating RoEV	%		15.6	16.5	16.7	18.4	18.3	18.1	17.5	19.0	19.2	12.1	13.4	13.6	17.5	17.8	18.2
PAT	INRb		19	21	22	22	24	28	2	5	6	14	16	18	1.1	1.2	1.5
Key Parameters			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
APE	INRb		174	204	238	247	285	326	106	126	150	109	126	144	28.8	34.4	41.1
EV	INRb		640	745	868	829	978	1,152	298	357	428	536	605	685	71.3	84.0	99.3
AUM	INRb		4,062	4,753	5,567	5,378	6,364	7,531	1,968	2,217	2,505	3,532	4,062	4,671	475	533	598
Current valuation			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
P/EV	x		2.2	1.9	1.6	2.3	2.0	1.7	2.6	2.2	1.8	1.8	1.6	1.4	2.0	1.7	1.4
P/EVOP	x		16.0	13.1	11.1	15.0	12.8	10.9	17.8	13.8	11.4	16.3	13.2	11.5	13.2	11.1	9.2
P/VNB	x		32.0	26.1	21.9	28.5	24.3	20.8	29.5	23.8	19.6	35.3	29.9	25.8	24.7	20.0	16.3

Source: MOFSL

Exhibit 13: One-year forward P/EV valuation trends



Source: MOFSL

Financials and valuations

Technical account (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Gross Premiums	406.3	502.5	587.6	673.2	814.3	849.8	1,000.8	1,158.1	1,338.5
Reinsurance Ceded	-3.1	-4.9	-3.3	-7.3	-8.4	-9.2	(10.9)	(12.6)	(14.6)
Net Premiums	403.2	497.7	584.3	665.8	805.9	840.6	989.9	1,145.5	1,324.0
Income from Investments	30.0	314.6	235.7	132.6	503.9	317.1	402.3	465.2	529.2
Other Income	5.2	8.6	10.3	17.6	16.6	13.4	16.7	20.0	24.0
Total income (A)	438.4	820.8	830.3	816.0	1,326.3	1,171.2	1,408.8	1,630.7	1,877.2
Commission	16.2	17.7	21.6	30.1	32.0	34.2	47.4	54.8	63.1
Operating expenses	24.1	24.1	29.7	34.6	40.3	48.1	63.5	71.1	79.7
Total commission and opex	40.3	41.9	51.3	64.7	72.4	82.3	110.9	125.9	142.8
Benefits Paid (Net)	162.5	215.8	313.4	302.9	431.1	489.0	517.5	596.8	687.5
Chg in reserves	206.0	539.3	437.6	410.0	784.3	557.0	737.5	858.4	989.0
Prov for doubtful debts	-	-	-	-	-	-	-	-	-
Total expenses (B)	415.7	801.8	810.2	785.9	1,297.0	1,139.3	1,378.7	1,595.8	1,836.4
(A) - (B)	22.8	19.1	20.1	30.0	29.3	31.9	30.1	34.8	40.8
Prov for Tax	3.8	1.0	1.3	1.5	1.4	2.0	1.9	2.2	2.5
Surplus / Deficit (calculated)	19.0	18.1	18.8	28.6	27.9	29.9	28.2	32.7	38.3

Shareholder's a/c (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Transfer from technical a/c	14.6	16.8	17.3	27.1	26.0	27.4	25.8	29.9	35.0
Income From Investments	4.8	6.9	9.8	7.9	10.3	11.1	13.5	15.0	17.7
Total Income	19.5	23.7	27.2	35.0	36.3	38.6	39.4	44.9	52.8
Other expenses	0.6	0.1	1.8	0.4	0.6	0.1	0.5	0.7	0.9
Contribution to technical a/c	4.8	8.2	9.8	17.1	16.3	13.5	16.2	19.4	23.3
Total Expenses	5.3	8.3	11.6	17.4	16.9	13.6	16.6	20.1	24.2
PBT	14.1	15.4	15.6	17.6	19.4	24.9	22.7	24.9	28.6
Prov for Tax	-0.1	0.9	0.5	0.4	0.5	0.8	0.6	0.6	0.7
PAT	14.2	14.6	15.1	17.2	18.9	24.1	22.2	24.3	27.9
<i>Growth</i>	7.2%	2.4%	3.4%	14.4%	9.9%	27.4%	-8.1%	9.4%	14.8%

Balance sheet (INR b)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sources of Fund									
Share Capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Reserves And Surplus	78.8	90.9	104.2	119.2	135.9	157.9	177.4	199.0	224.1
Shareholders' Fund	87.4	104.0	116.2	130.2	149.1	169.9	189.0	210.4	235.3
Policy Liabilities	761.2	924.1	1,097.6	1,301.3	1,558.1	1,798.8	2,142.1	2,550.9	3,037.7
Prov. for Linked Liab.	763.0	965.5	1,174.9	1,407.2	1,667.4	1,938.1	2,235.2	2,569.9	2,931.9
Funds For Future App.	7.1	8.4	9.9	11.4	13.4	14.5	17.1	20.2	23.8
Current liabilities & prov.	30.2	42.4	51.3	51.0	44.9	61.7	64.0	66.3	68.8
Total	1,655.8	2,268.3	2,733.4	3,146.9	3,972.7	4,571.0	5,401.5	6,393.5	7,568.1
Application of Funds									
Shareholders' inv	68.3	86.0	100.8	112.1	130.4	146.0	172.3	203.4	240.0
Policyholders' inv	734.2	939.4	1,121.3	1,298.7	1,565.4	1,852.3	2,200.8	2,614.8	3,106.8
Assets to cover linked liab.	785.7	1,162.2	1,426.3	1,632.6	2,160.1	2,476.4	2,913.4	3,437.8	4,056.6
Loans	3.6	3.6	3.6	3.9	3.9	4.8	5.5	6.4	7.3
Fixed Assets	5.8	5.7	5.3	5.2	5.6	5.9	6.4	6.9	7.4
Current assets	58.2	71.5	76.2	94.4	107.3	85.6	103.1	124.3	149.9
Total	1,655.8	2,268.3	2,733.4	3,146.9	3,972.7	4,571.0	5,401.5	6,393.5	7,568.1

Financials and valuations

Operating ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Investment yield	2.1	17.3	10.2	4.8	15.1	7.9	8.7	8.7	8.5
Commissions / GWP	-4.0	-3.5	-3.7	-4.5	-3.9	-4.0	-4.7	-4.7	-4.7
- first year premiums	-8.4	-8.4	-8.3	-11.9	-10.6	-10.3	-13.5	-13.5	-13.5
- renewal premiums	-2.7	-2.6	-2.6	-2.5	-2.4	-2.4	-2.4	-2.4	-2.4
- single premiums	-1.4	-1.1	-1.2	-1.4	-1.0	-1.4	-1.7	-1.7	-1.7
Operating expenses / GWP	7.3%	5.9%	5.9%	5.9%	6.0%	5.9%	7.5%	7.1%	6.9%
Total expense ratio	9.9%	8.3%	8.7%	9.6%	8.9%	9.7%	11.1%	10.9%	10.7%
Claims / NWP	40.3%	43.4%	53.6%	45.5%	53.5%	58.2%	52.3%	52.1%	51.9%
Solvency ratio	195%	215%	205%	215%	196%	196%	189%	174%	161%

Persistency ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
13th Month	86.1%	85.4%	85.2%	85.5%	86.8%	87.4%	87.9%	88.3%	88.6%
25th Month	78.5%	75.8%	78.1%	75.6%	77.4%	77.7%	77.9%	78.0%	78.0%
37th Month	71.6%	72.1%	72.2%	74.5%	71.3%	72.1%	72.5%	72.7%	72.8%
49th Month	67.3%	65.6%	69.9%	70.3%	72.7%	68.0%	65.7%	64.5%	63.9%
61st Month	59.9%	50.9%	49.5%	55.6%	58.6%	62.7%	65.2%	66.7%	67.6%

Profitability ratios (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
VNB margin (%)	20.7%	23.2%	25.9%	30.1%	28.1%	27.8%	27.5%	28.0%	28.5%
RoE (%)	17.4%	15.2%	13.7%	14.0%	13.6%	15.1%	12.4%	12.2%	12.5%
RoIC (%)	17.4%	15.3%	14.0%	14.2%	13.8%	15.4%	12.5%	12.2%	12.6%
Operating ROEV (%)	20.5%	19.1%	20.6%	22.9%	21.8%	20.2%	18.4%	18.3%	18.1%
RoEV (%)	17.4%	27.0%	18.7%	16.2%	26.5%	20.6%	18.0%	18.0%	17.8%

Valuation ratios	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total AUMs	1,603.6	2,208.7	2,674.1	3,073.4	3,889.2	4,480.4	5,377.6	6,363.8	7,530.9
- of which equity AUMs (%)	21%	27%	29%	29%	34%	39%	31%	31%	31%
Dividend %	0%	25%	20%	25%	27%	33%	33%	33%	33%
Dividend payout ratio (%)	0%	17%	13%	15%	14%	11%	12%	11%	10%
EPS, Rs	14.2	14.6	15.1	17.2	18.9	24.1	22.2	24.3	27.9
VNB	22.2	26.6	37.0	50.7	55.5	59.5	68.0	79.7	93.0
- VNB growth (%)	15.6%	19.8%	39.1%	37.0%	9.5%	7.2%	14%	17%	17%
EV per share	276.4	364.0	396.3	460.4	582.6	701.0	829.1	977.9	1,152.4
VIF as % of EV	63%	63%	68%	70%	73%	75%	76%	78%	79%
P/VIF	11.7	9.2	7.1	6.0	4.6	3.7	3.1	2.6	2.1
P/AUM (%)	121%	88%	72%	63%	50%	43%	36%	30%	26%
P/EV (x)	7.3	5.8	4.9	4.2	3.3	2.8	2.3	2.0	1.7
P/EPS (x)	135.8	132.7	128.3	112.2	102.0	80.1	87.1	79.6	69.3
P/EVOP (x)	42.2	38.6	28.1	21.4	19.3	16.4	15.0	12.8	10.9
P/VNB (x)	87.3	72.8	52.4	38.2	34.9	32.6	28.5	24.3	20.8

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. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA.

Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

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

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

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

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

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

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

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